

# PRIVATE RENTED

— THE —  
**FORGOTTEN  
SECTOR**

## **Private Rented Accommodation** **THE FORGOTTEN SECTOR of Irish Housing**

written by

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Lancelot O'Brien,  
*Chairman,*  
*Research Committee.*

## THRESHOLD Research Committee

**Lancelot O'Brien** is Chairman of the Research Committee and was born in Nenagh, County Tipperary. He was educated at University College, Dublin, where he obtained a Master's Degree in Geography.

He has contributed in various ways to research in housing over the years and has taken a special interest in the housing needs of single people. He is co-author of **The Irish Housing System — A Critical Overview** (E.S.R.I., Dublin, 1979) and "Poverty and Housing" in **One Million Poor?** edited by Sr. Stanislaus Kennedy, RSC (Turoe Press, Dublin, 1981). He also prepared the chapter on "Housing Policy and Poverty" in **Poverty and Social Policy**, compiled by Laraine Joyce and A. McCashin (I.P.A., Dublin, 1981). He is currently working on a Ph.D. thesis on Residential Mobility in Ireland.

**Patrick Braniff, B.Sc. (Econ.), M.Sc., MRTPI, MIPI.**, is Lecturer on Town Planning at The Queen's University, Belfast. He has a long-standing interest in housing problems, and became a member of the **Threshold** Research Committee in 1980. He is joint author with E. Gribbin of a study on aspects of urban rehabilitation in the Republic of Ireland — **Urban Housing — Waterford**. (The Joint Housing Conference Committee, 1981). In addition to his teaching and research activities, he has advised housing associations in Belfast on a wide range of physical planning problems.

**Fr. Paul Byrne, OMI** has been a member of the Board of **Threshold** and of its Research Committee from the beginning. He was educated at Synge Street Christian Brothers and Belcamp College, Dublin before completing an honours Philosophy Degree at University College, Dublin. He was Director of the Irish Centre in Birmingham 1965-'68 and National Director of Catholic Housing Aid Society from 1969. He later became Director of SHAC (a Housing Aid Centre) in Britain. His outstanding work in the area of housing in England finally merited for him the OBE award in 1976. Returning to Ireland as Vicar Provincial of the Oblate Order, he was elected Secretary General of the Conference of Major Religious Superiors in Ireland.

**Brian Dillon** is a native of County Tyrone. He graduated from Queen's University, Belfast, in 1979 with an honours Degree in Social Studies. He also completed a Master's Degree in Town and Country Planning and is the author of a thesis on the **Role of Sociology in Town Planning Education and Practice**. He has worked on an inner-city development project in Belfast which was funded by the Northern Ireland Housing Executive and on a rural development project funded by Roscommon County Council. He was **Threshold's** Research

Officer until October 1981. He is co-author of "Poverty and Housing" in **One Million Poor?** (op. cit.). At present, he is pursuing a Ph.D. Degree at N.I.H.E., Glasnevin, Dublin.

**Fr. Donal O'Mahony, OFM Cap.**, founder of **Threshold**, was educated at Christian Brothers College and Rochestown College, Cork. His appointment as Flatdwellers' Chaplain in Dublin was an experience which prompted him to found **Threshold**. A peace activist, he is one of the twelve elected members of the International Executive Council of Pax Christi in Belgium, a member, by invitation, of the Emergency World Council in the Hague and national Chaplain of the Irish section of Pax Christi. His special portfolio in the International Movement is the promotion of non-violent alternatives in society and he has been invited to play mediating roles on many occasions. He was editor of **EIRIGH** for seven years and has contributed articles to various national and international journals. He is also co-author of "Poverty and Housing" in **One Million Poor?** (op. cit.).

## Foreword

*This report by THRESHOLD is a most valuable and timely contribution towards a greater understanding and concern for the many acute individual and family problems abounding in private rented accommodation.*

*The report presents the problems of this sector in a most professional and competent manner. The skilfully assembled data, based on the experience of four years' case-work, gives real credibility both to the analysis of the problems and the consequent recommendations.*

*The claim that the sector is "pervaded by a widespread manifestation of insecurity" can hardly be refuted on the clear evidence of the report. This insecurity is the cause of much suffering — at times great misery — for many of our people. Having been acquainted with the work of THRESHOLD since its foundation, I can see clearly in the report a brief written summary of some of the great good accomplished in such a short period of time. The written word, however, could never adequately convey the way in which thousands of people, powerless to cope on their own, have been touched in a caring, compassionate and practical manner. THRESHOLD is very much a sign of the caring Church responding to the call of Christ to reach out in a genuinely loving response to the needs of "The Housing Poor". The members of THRESHOLD find continual inspiration in His own moving words: "Foxes have holes and the birds of the air have nests, but the Son of Man has nowhere to lay His head". THRESHOLD too, owes so much to the beautiful ideal of peace inspired by St. Francis of Assisi, the eight centenary of whose birth we are celebrating this year.*

*I pray that this report will be widely read, thoroughly discussed and then effectively acted upon. There could be no better way of ensuring that private rented accommodation will no longer be the "Forgotten Sector of Irish Housing".*

+ Dermot O'Mahony

Auxiliary Bishop of Dublin, May 1982.

## Preface

The difficulty involved in sheltering its people is a challenge for any society. It particularly challenges the Christian society, as love of one's neighbour is not compatible with tolerance of serious inadequacies in such a fundamental area as shelter.

Shelter, where human beings are concerned, means more than simply having a roof over one's head. People may have an address and a door-key, but if they lack privacy, if the accommodation lacks basic facilities, if rents are too high in relation to income and raised too often, if insanitary conditions or overcrowding prevail, if a threat of eviction is the response to pursuing one's rights; in a word, if a reasonable degree of security of tenure and rent stability are absent — then it is only right to call such persons 'homeless'.

A home, after all, should be a place where individuals and families find peace and security so that they may thrive spiritually and physically, as well as finding rest and relaxation so necessary for their mental and physical well-being.

The consequences of any or all of these inadequacies are many. In addition to their inherent injustice, they spawn many social problems, such as broken homes, marriage tensions, drunkenness, incest, retarded education and delinquency. Homelessness is, in every sense, a fundamental problem and it cuts at the roots of a healthy society.

The purpose of **Threshold's** research into housing deprivation, and of this book, is to establish and highlight the real, as opposed to the imaginary causes of housing inadequacies, and to propose both short and long-term remedies. The book is based on the detailed study of the first three thousand cases (families and individuals) who sought assistance from **Threshold**. It makes available for the first time hard data which is unique in Irish terms, on the symptoms and causes of housing deprivation in our cities and towns, especially in the private rented sector. Some comparisons are also made with other European countries. But in no sense does it exhaust the problem. It is merely a beginning, but the work will be continued and extended.

In addition, **Threshold** sees its role as a peace-making organization by pursuing justice relentlessly but always with love. It grew up with the conviction that 'homelessness' in the broadest definition of that word, is a major obstacle to peace and justice in Ireland — an analysis that is supported by the International Catholic Movement for peace, Pax Christi. It demoralises men, women and children, it destroys their pride and robs them of their dignity.

To tackle the problem requires more than finance. It requires a positive attitude to people, their needs and their problems. This presupposes that a voluntary body like **Threshold** works with other voluntary groups who have a genuine interest and involvement in housing, that it fosters the belief that the right to a home is more than a pious platitude, but rather the keystone to a caring, thriving and vital society, and that it has structures whereby people are enabled to help themselves.

It is our hope that this book will be a major step towards ensuring adequate housing for all by creating public awareness of the problems involved and by putting unique and scientifically acquired information at the disposal of those whose function it is to formulate housing policy.

It is a challenge to us all. The social price of failing to take up this challenge will inevitably increase and will have to be paid for in the future, especially when we reflect on the demographic forecast that in the year 1990, more than 50 per cent of the population in the Republic of Ireland will be under 20 years of age. The legacy which they will inherit regarding the most fundamental right to adequate housing will depend on our willingness, ability and imagination to grasp the gravity of the present situation and remedy it.

Fr. Donal O'Mahony, OFM Cap.,  
Executive Director.  
Alex Miller,  
Chairman.

# I

## Introduction

### The Private Rented Sector in Ireland: An Overview

## Introduction

Today, after more than a century of State intervention in the housing market, a great many of our fellow citizens live in unsatisfactory housing conditions, or have no house at all; while the majority of the population enjoys good housing conditions that are high by historical and international standards. On the basis of almost any definition, the Irish population is now much better housed *on average* than in the past, and in particular, the significant improvements attained in overall standards in the past decade or two should be duly acknowledged. Unfortunately, not everybody has shared in the progress that has been made and, as a result, the gap between the well and badly housed has widened.<sup>1</sup>

As the quality of housing provision enjoyed by the majority rises across a broad range of indicators — a fact which can be confirmed even from looking at the limited number of physical measures of housing quality employed in our Census of Population — many other households must endure conditions of overcrowding, involuntary sharing, lack of sanitary and other amenities and an increasing number do not have access to a permanent dwelling at all.<sup>2</sup>

From these and other conditions of poor housing there spring a range of personal and social ills which not only sap the vitality and morale of the nation and create conditions conducive to the growth of violence, but which also place a phenomenal burden on our scarce economic resources. Poor housing conditions are the breeding grounds of misery, leading to broken homes, delinquency, illiteracy, violence, drunkenness and absenteeism.<sup>3</sup>

This study is concerned only with the grave problem of poor housing conditions as experienced by households in the private rented sector of our housing market. It does not examine housing problems as experienced in other sections of housing, nor does it analyse the personal and social ills referred to above which can derive from poor living conditions.

Fundamentally, the study is based on the factual data and experience garnered by a voluntary organisation — **Threshold** — which has been dealing with the problems of private rented tenants and landlords for over four years. The

core of the study is founded on an analysis of the data provided by the 3,000 cases who sought the assistance of **Threshold** during the period April 1978 to July 1980. Each of these problem cases provided us with a wide range of information which is described and analysed in more detail in Chapters 3, 4 and 5 following. This aspect of the study is supplemented by further chapters which use previously published material in order to describe the history and present state of private rented accommodation in Ireland. The study is rounded off with chapters which advance various recommendations designed to alleviate the problems which the survey data shows to exist.

### Origins of Threshold

**Threshold** is a voluntary organisation based in Dublin which offers information, advice and practical assistance where possible to those experiencing housing difficulties. In addition, the organisation is committed to a research programme using as its major data source the information gathered in its case-work. Such research is undertaken with a view to highlighting the major housing problems, particularly as found in the private rented sector of our housing system, and tackling the causes of homelessness\* in general.

**Threshold** owes its origins to a "Private Flatdwellers' Chaplaincy" which was established in 1974 by the Archbishop of Dublin under the direction of Fr. Donal O'Mahony OFM Cap. During the two-year period of operation of this Chaplaincy the primary demands on its services were made by young single people and newly-married couples. Owing to the sheer magnitude and range of housing problems as experienced by these groups, and because of the specialist nature of many of the problems raised, it was quickly realised that a great need existed for a permanent centre where both landlords and tenants in the private rented sector could come for expert information and advice.

It was against this background that a group of interested and experienced people came together in 1978 to form a committee for the purposes of establishing and managing such a centre. A long series of meetings followed, involving people who had varied experience in the field of housing — those who had direct experience of housing problems in their own lives; those who had indirect experience through working in voluntary housing organisations; and those who had an interest in housing from an academic standpoint.

The first substantial outcome of these deliberations manifested itself in the appointment of a full-time administrator in April 1978, thus enabling **Threshold** to open its doors to the public. This initial step was made possible by grants received from private sources and the organisation was enabled to continue and develop through funding from the National Committee on Pilot Schemes to Combat Poverty.<sup>4</sup> **Threshold** was registered as a Limited Company in August 1979 and in 1980 was recognised as a charitable body for covenanting purposes.

The Company is managed by an Executive Committee of eleven members, seven of whom are also Directors. Three full time staff, including a Research Officer, are now employed and, in addition, fifteen volunteers help to operate the two interview centres which are currently open in Dublin City.

\*For a full discussion of our understanding and use of this term, see pages 5 and 6.

### Goals of the Organisation

The founders of **Threshold** realised from the outset that the problems existing in private rented accommodation were too widespread and of too grave a nature to be resolved solely through the indefinite purveyance of advice and information. While advice, information and ongoing support can prove invaluable in the short-term to those confronted with housing problems, such action must be accompanied by work aimed at identifying the causes of the problems, seeking alternative solutions and creating a climate for much-needed reform.<sup>5</sup> For these reasons, research and education were considered to be central elements in the medium and long-term strategy of **Threshold**. While some relevant work has already been undertaken in these areas, this study represents the first major piece of research based on the case-work of the organisation.<sup>6</sup> It is intended not only as a contribution to research in the housing field, but also as a base document to be used for a series of campaigns to be launched in the coming years, designed to highlight the problems and demonstrate the very urgent need for solutions. It is further intended that future research reports will examine in greater detail some of the more significant issues emanating from this initial overview of the situation.

### Development of the Organisation

Research and case-work are not, however, two totally distinct and separate parts of this work. The data-base which forms the core of this study was drawn from the information contributed by those people (either existing private rented tenants or homeless people who had been evicted from that sector) who, as already stated, sought our assistance between April 1978 and July 1980.

In addition, the development of the work on a day-to-day basis has influenced significantly the *context* within which the private rented sector is examined in this study. Primarily this may be seen in the way in which the organisation developed in response to problems encountered; namely, from an information service catering exclusively for private flatdwellers and landlords, to one offering information and assistance on other areas of housing also. This development arose out of the realisation that, although the problems being dealt with originated in the private rented sector, the means of resolving such problems were not necessarily limited to that sector. As will be seen from this report, it is not all that unusual for a case to open with a private tenant being asked for a rent increase and close with that same person buying his/her own house. This inter-relatedness of the various housing sectors now influences both the organisation's approach to its case-work and its research orientations. In making recommendations for changes in the system governing private rented accommodation in this study, we do not deal with that sector in isolation; rather, we locate our conclusions and recommendations for reform within the context of the more fundamental need for a whole "new look at housing".

This realisation influences the whole motivating force of **Threshold** as a voluntary housing organisation, which now exists in the name of the "homeless" — a term which we take to refer to more people than those who simply lack a house or a roof over their heads. This restrictive view of the concept of "home-

lessness" is the one which appears to be favoured in official pronouncements and statistics, but in the context of the private rented sector, for example, such a narrow view would exclude all those tenants who, because of the ever-present threat of arbitrary eviction, harassment, overcrowding, poor physical conditions, the lack of essential household amenities and the necessity of disbursing a relatively large proportion of a frequently low income on rent, are deprived of the opportunity of making what most people would consider to be a home for themselves.\* It is **Threshold's** underlying philosophy that such people also must be considered as experiencing homelessness.

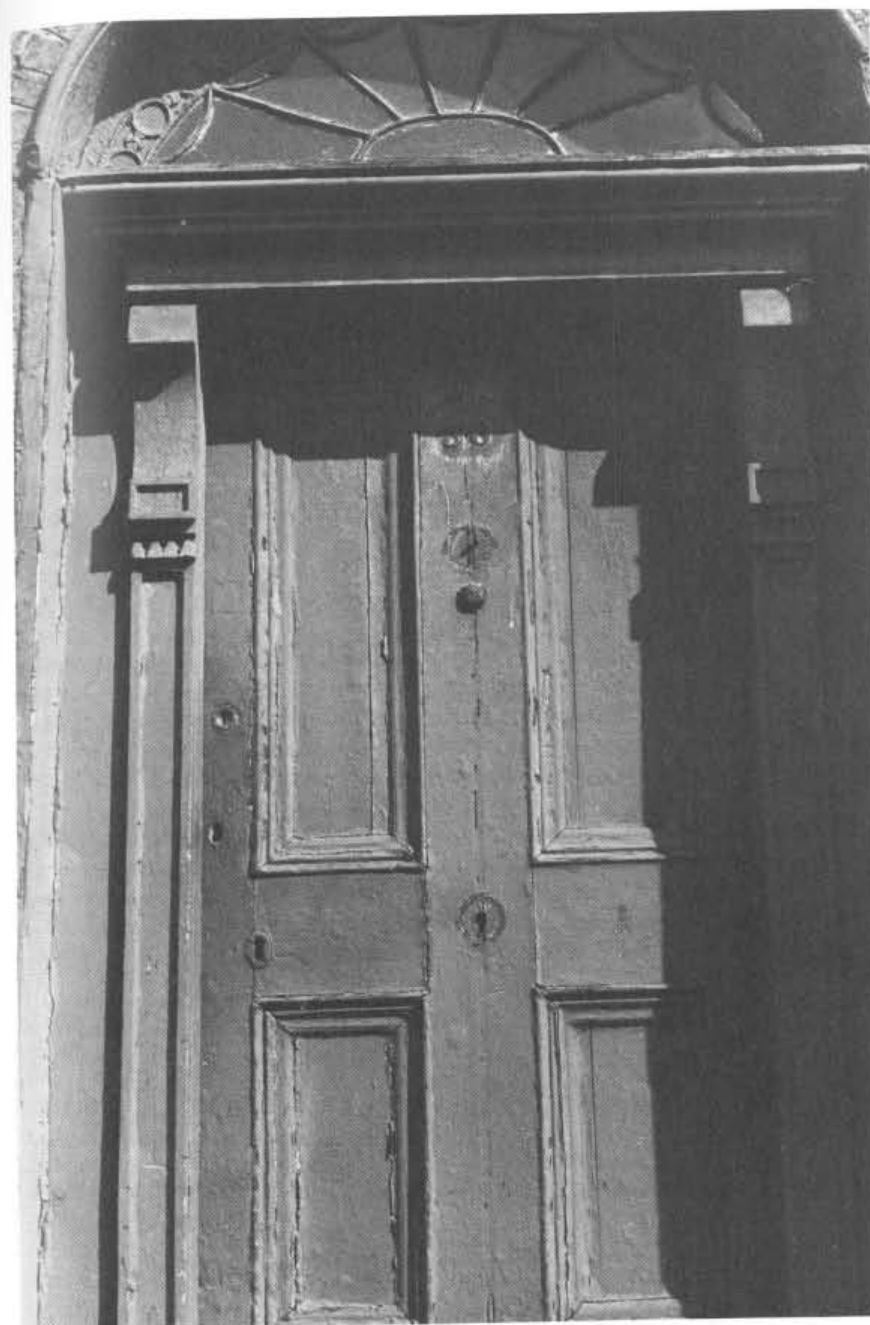
Such people are not a feckless minority, who for one reason or another have failed to adjust or conform to the norms of our society. They are not those who rely on welfare departments or voluntary organisations for shelter in temporary accommodation. The latter group only represents the ultimate manifestation of a problem whose roots go deeper and has ramifications far beyond personal, psychological or other labels which are sometimes reached for when we wish to explain away those who are literally roofless. Our understanding of the problem of homelessness goes beyond such glib labels to comprehend the whole problem of housing scarcity and inequity in its distribution.

On the basis of our understanding and use of the word "homeless", it would be only a very tiny minority indeed of the total number of cases examined in the following chapters who would fit into the traditional concept of that term. The vast majority are ordinary people who are attempting to live "normal" lives, but are confronted with living situations which make such a modest objective an ever-more daunting obstacle course.

A home is not seen to exist merely because a person has a roof over his head. In advanced industrial society, a dwelling must meet many other criteria before it can be considered as providing the setting in which the individual or family can make a home. For **Threshold** these other criteria can be summed up in the word "security". A home should be a place where individuals and families can be themselves for better or for worse, can enjoy peace and can advance both mentally and physically free from the pressures and prejudices of society. Such objectives cannot be attained in the light of conditions which our experience and survey results show to exist on such a widespread scale in private rented accommodation. The conditions which prevail therein for very many tenants inhibit them from enjoying the security which comes from a home; on the contrary, we see the sector being pervaded by a widespread manifestation of "insecurity".

It is the concept of "insecurity" which forms the central theme of this report. This term is not used in a narrow sense to refer to lack of tenure rights alone, but rather is employed in a generic sense to comprehend all those elements (to be discussed later on) which make for a situation where a "decent" home life becomes improbable. Thus it refers to those indicators of housing stress, made known to **Threshold**, which determine the extent to which individuals or families are not permitted to lead a "normal" life.

\*Nevertheless, the term "homeless" as officially understood can be useful. This is particularly so in view of the arcane division of responsibilities in Ireland with regard to homelessness.



*"Homelessness means more than simply not having a roof over one's head . . ."*

Insecurity will not be eliminated from the private rented sector by simply granting security of tenure to tenants. It will only disappear when there is an adequate supply of decent housing equitably distributed between all our people. As long as basic necessities are in short supply and inequities are actively encouraged or passively tolerated by official policy, human beings will be open to the various signs of insecurity which **Threshold's** experience shows to exist in private rented accommodation.

### This Report

This report, then, will deal with such insecurity as our evidence shows to exist in private rented accommodation. We shall look at the various forms it takes along with their causes. Our analysis shall range from the ultimate sign of insecurity — outright homelessness — to aspects of it which can be considered but minor irritants. The information which we have collected is very much Dublin-City orientated, as is shown in Chapter 3. Accordingly, the conclusions drawn and recommendations made may be limited to the extent that we have very little data from the rest of the country. It is **Threshold's** objective, however, to expand its operations into some of our other cities and it is to be hoped that future research work produced by the organisation will have a wider geographical spread to its data base.

It should also be noted that among our cases are people who have come to **Threshold** from housing sectors other than the private rented sector. These problem cases are identified in the tables accompanying Chapter 3, but they are not discussed in detail in association with private rented tenants, except in so far as they are used for comparative purposes at various stages of the analysis.

There is one final and very important note of caution which must be sounded in relation to our analysis and one which the reader should constantly bear in mind. All of the respondents who provided the data upon which this study is based *were people with housing problems*. As such, the data base used is not representative of the private rented sector (as it exists in Dublin). **Threshold** recognises that there are very many tenants in Dublin, and elsewhere, who do not suffer from insecurity of any form, but who are renting premises which provide them with the basis for building the type of home life which they themselves wish for. We do not have any information on these satisfied tenants. Our data is confined solely to those tenants who were suffering from some problem with their accommodation at the time they contacted **Threshold**.

Even though this is obviously a very significant factor in advising caution, it cannot however be in any way taken as justification for ignoring the problems or dismissing our conclusions and recommendations. On the basis of the experience gained during four years of full-time operation and on the basis of previous research literature, we can say that while our survey population is not representative of the private rented sector as a whole, it most certainly is representative in terms of the types of problems which now pervade that sector. In addition, the sheer number of problem cases built up over a very short period of time, the

severity of some of these problems and their persistence over time are all very good reasons why the data outlined here must be taken seriously by our policy makers and why the private rented sector must not be ignored in the future, as we shall contend, it has been in the past.

We are not claiming that this report turns up any new problems in the private rented sector; indeed all of the problems we will look at have been referred to by previous writers. However, we have data to support the points made, which previous authors did not have. In this way, our information base is unique and must be seen as providing a basis for an authoritative statement on the nature and even the extent of the problem.

In summary, the information we have collected, analysed and now present is unique in Irish terms. While the presentation can stand in its own right as a contribution to research on the Irish housing system, this is not the sole, nor even the primary reason for its presentation. The main motivating force of the study is provided by the plight of the individuals who sought the help of **Threshold** during the period covered by the survey, as well as of the many who continue to do so on a daily basis. It is their problems, the causes of these problems and the means by which they can be alleviated which are of greatest concern to us. With this end in mind, the information collected is used to illustrate the extent of insecurity experienced by those who contacted **Threshold** and to locate their problems within the context of the organisation of the private rented sector in Ireland and the Irish housing system as a whole. Above all, it is hoped to raise the level of public awareness regarding these problems and thereby create a climate conducive to bringing about much needed change.

### Notes and References

1. Blackwell, J., "Public Expenditure and Housing Policy". Paper read to Dublin Economic Workshop, Economic Policy Conference, 18 October, 1981.
2. O'Brien, L., "Housing Policy and Poverty" in *Poverty and Social Policy*, compiled by Laraine Joyce and A. McCashin (I.P.A., Dublin, 1981) pp. 55-58.
3. Wilner, A.D. et al., *The Housing Environment and Family Life* (John Hopkins Press, Baltimore, 1962.)
4. **Threshold** received a grant for a two year period (1978 — 1980) from the National Committee on Pilot Schemes to Combat Poverty as a "contracted-out" project.
5. For a discussion of the role of voluntary organisations in responding effectively to poverty in Ireland see Chapter 8, pp 94 — 96 of *Poverty and Social Policy* (op. cit.).
6. Research work undertaken by **Threshold** to date includes *Present Crisis in Rent-Controlled Accommodation* (Threshold, 1980); "Poverty and Housing", by B. Dillon, L.M. O'Brien and D. O'Mahony, in *One Million Poor?* edited by Sister Stanislaus Kennedy, RSC (Turoe Press, Dublin, 1981).

# The Private Rented Sector in Ireland:

## An Overview

# 2

### Introduction

On the basis of tenure the Irish housing market can be divided into three major sections, owner-occupation, private renting and local authority renting. Table 2.1 shows trends in tenure structure since 1946.

Table 2.1 Tenure Structure of Irish Housing — 1946-1979

	Owner-Occupied	Local Authority Rented	Rented from Private Landlord	Other	Total Stock No.
1946	52.6	16.5	26.1	4.7	662,654
1961	59.8	18.4	17.2	4.6	676,402
1971	68.8	15.5	13.3	2.4	726,363
1979* (est.)	76.1	11.8	10.4	1.7	867,000

\*Figures supplied by the Department of the Environment.

Sources: Census of Population of Ireland, 1961, Vol. VI;  
Census of Population of Ireland, 1971, Vol. VI.

This table shows that the housing stock as a whole increased by 30.8% between 1946 and 1979, with owner-occupation being the only single tenure sector displaying continuous growth over that period. Local authority renting manifests a sharp decline after 1961 — a consequence mainly of the continuously high volume of sales of dwellings which brought them into the owner-occupied sector. The private rented sector discloses a massive and sustained decline over the full period shown on the table.

The decline in importance of the privately rented housing stock over the period shown on the table becomes even more significant when it is realised that

at the turn of the century the vast majority of dwellings in Ireland and Britain were rented from private landlords. For example, even in 1914, over 88% of the total housing stock in the UK was privately rented.<sup>1</sup> The growth in popularity of owner-occupation and public renting has occurred since the early years of this century, and almost entirely at the expense of the privately rented sector.

The figures for the overall decline of private renting, as shown on Table 2.1, conceal a highly significant development within the sector itself. The decline of the sector is due to losses of rent-controlled dwellings which have been offset, although not completely, by growth in uncontrolled lettings, particularly since 1946. This is partly evidenced by the fact that there was a decline of 75.8% in unfurnished lettings between 1946 and 1971, while during the same period the number of furnished lettings increased by 164%<sup>2</sup>. Table 2.2 shows the decline since 1946 in unfurnished accommodation.

Table 2.2. Unfurnished Private Rented Lettings as % of Total Dwellings

	State	Major Cities*	Remainder of State
1946	40.8	71.6	31.6
1961	14.9	28.4	10.0
1971	9.0	14.6	6.7

\*Boroughs of Dun Laoghaire, Dublin, Cork, Limerick and Waterford.

Sources: Census of Population 1946, Volume IV; 1961, Volume VI; 1971, Volume VI.

This huge shift in the tenure structure of the housing stock during the present century has been influenced by the nature of government policy and its interaction with market forces in association with rising real incomes. In so far as the decline in unfurnished private rented accommodation (which up until fairly recent times was the only form of private rented accommodation) is concerned, these factors have operated in a variety of ways, affecting both supply and demand.\* Commentators down through the years have contended that supply has been discouraged by the existence of rent control, the disadvantageous tax position of the private landlord, alternative and more profitable forms of investment, the transaction costs associated with private renting and the adverse expectations regarding the imposition or re-imposition of controls. In addition, slum clearance and redevelopment programmes have affected privately rented properties in a particularly severe manner. On the demand side, rising real incomes, along with changing economic and social circumstances, have led to a switch in preferences away from private renting. Access to cheap credit facilities — with negative interest rates prevailing during periods of high inflation — government subsidies and the greater financial and status benefits accruing from owner-occupation have depressed demand for private rented accommoda-

\*For an analysis of the reasons accounting for the expansion of furnished lettings, see Chapter 6.

tion. Finally, the attraction of extremely low rents in the local authority sector has ensured a continuously high level of demand for this form of renting as opposed to private renting. In the following pages we shall examine in some more detail the operation of these various factors.

## Factors Affecting Supply

### 1 Rent Control

Of all the reasons put forward to account for the decline in private rented accommodation, the single most important one is often claimed to be the existence of rent control. While it is impossible to quantify with any exactitude the contribution of rent control in this respect; it is significant, but not overwhelming. Demand factors and clearance policies are in fact more significant. Even in the absence of rent control, owner-occupation would have expanded at the expense of private renting. Nevertheless, the effects of rent control have been clearly felt in the private letting sector down through the years. Such effects were so marked that private rented accommodation could be said to have constituted *two* rather than one housing sector, and one recent study has chosen to treat the sector in this way.<sup>3</sup>

We shall discuss in the following pages how rent control has both directly and indirectly led to the massive decline already observed in unfurnished accommodation, but its existence must also have dampened the enthusiasm of possible investors in furnished accommodation. While this sector did expand extremely rapidly after 1946, it could be argued that its expansion might have been even more rapid in the absence of rent control and indeed its quality might have been far better. We shall return again to this issue in Chapter 6.

Rent control was initially introduced as an instrument of housing policy in order to alleviate the detrimental effects of the housing shortage which arose following the outbreak of World War I. Prior to 1914 building was carried on almost entirely by private enterprise, even though local authorities had been involved in providing houses for labourers since the mid-nineteenth century. For those who could not build themselves, or obtain public housing, they rented from private landlords at competitive rents. Up to 1914 the supply of rented accommodation seems to have been more or less adequate and rents tended to remain fairly stable. After the outbreak of the War, however, the housing situation deteriorated rapidly and by the end of 1915 a housing shortage was becoming apparent. The consequences of this were to be seen in rent increases in the private sector on a scale which had not occurred in the past.

To counter these increases and to prevent injustices being perpetrated on private renters, an Act, the Increase of Rent and Mortgage Interest (War Restrictions) Act, 1915, was passed. This Act, which was intended to remain in force for six months following the end of the War, controlled, subject to certain exceptions, the rents of all dwellings in Ireland which had a Poor Law Valuation (PLV) or a "Standard Rent", not exceeding £26 per annum. It provided that the rents of such dwellings should be restricted to the "Standard Rent", which was defined for this purpose as the rent (including rates, where

paid) at which the dwelling was let on 3 August, 1914 or, when it was not let on that date, the rent at which it was last let before that date, or in the case of a dwelling which was first let after 3 August, 1914, the rent at which it was first let. Increases in rent were limited to a percentage of rates increase or costs due to structural improvements of the dwellings by the owner. As a corollary, the Act also placed certain restrictions on the owner's right to recover possession of controlled dwellings.

From this it is obvious that a major characteristic of rent control, as initially introduced, was that it was only to be a temporary measure designed to prevent arbitrary increases of rent at a time of housing shortage and of general economic hardship. But once it had been introduced, vested interests were quickly created whose wrath could not be aroused even when the housing situation improved. Also it would have created difficulties for very many tenants if rents were increased and so the system of control was continued by a long series of temporary Acts until 1960. The Rent Restrictions Act, 1960, was a comprehensive measure which repealed all former enactments relating to rent control and provided for the first time for permanent control of those dwellings in the rented sector formerly governed by the repealed enactments. The Act of 1960 also relaxed the scope of control and increased the level of controlled rents. This Act was further amended by the Rent Restrictions (Amendment) Act, 1967, but without any major change in the nature of the control involved.

Following the 1960 and 1967 Acts and prior to the Supreme Court decision of June 1981, which declared parts of the 1960 Rent Restrictions Act to be unconstitutional, the position of rent control in Ireland was as follows:

The Rent Restrictions Acts applied to every dwelling in the country except the following:

- 1 All houses of a Rateable Valuation over £40 were decontrolled. All self-contained flats of a Rateable Valuation over £30 were decontrolled.
- 2 Any house or flat built after 1941 was decontrolled.
- 3 Any house or flat which after 1960 became occupied by the owner (either the present or previous owner) for his own residence was decontrolled.
- 4 Any building which was re-constructed into separate and self-contained flats after 1960 was decontrolled.

So, except in the rare circumstances where a landlord allowed his tenant to re-let the premises to another tenant, without handing back vacant possession to him first, it can readily be seen that nearly everyone who moved into a flat after 1960 was not protected by the Rent Acts. As their older tenants passed away over the years, the number of rent-controlled premises had severely diminished.

It is difficult to estimate the number of tenants affected by the 1981 Supreme Court ruling. A report from the National Economic & Social Council estimated that there were 45,000 to 50,000 rent-controlled dwellings in 1971,<sup>4</sup> while Threshold calculated that there were 31,500 controlled tenancies in existence in 1981.<sup>5</sup> Apart from the "de-controlling" effect of various Rent Restrictions

Acts, other reasons can be cited for the steady decline in the number of lettings protected by rent control. No new controlled tenancies were being created, landlords transferred their houses into other sectors wherever they were able, and a significant number of controlled dwellings were lost to the housing stock through demolition, disrepair or conversion to non-housing uses.

The final demise of the Rent Restrictions legislation in Ireland was heralded by the Constitutional action taken in the Courts by a number of landlords who sought to have Sections of the 1960 Rent Restrictions Act declared unconstitutional. The landlords won their case in the High Court, a decision which was upheld by a Supreme Court ruling given on 29 June, 1981. The Courts held that the provisions of the 1960 Act relating to the restrictions on rent and the right of landlords to recover possession of controlled premises were unconstitutional. Given the potentially disastrous consequences of this decision for very many poor and elderly rent-controlled tenants, the Government intervened immediately following the Supreme Court ruling and passed a temporary measure, Rent Restrictions (Temporary Provisions) Act, 1981,\* in order to protect tenants' interests while new and more permanent legislation was prepared.

The new legislation, Housing (Private Rented Dwellings) Bill, 1981, was passed by both Houses of the Oireachtas but was then referred to the Supreme Court by the President in order to test its Constitutionality. In a judgment delivered on 19 February, 1982, the Court declared that Section 9 of this Bill, which would have allowed for rebate of rents for a five year period after the passing of the Bill constituted "an unjust attack on the property rights of landlords of controlled dwellings and would, accordingly, be in contravention of the provisions of Article 40, section 1, subsection 2 of the Constitution".<sup>6</sup>

This judgment not alone greatly restricts the scope for future legislative action in relation to formerly rent-restricted dwellings, but even more seriously, it could hold enormous implications for any proposed future reform of the furnished rented sector also. In view of the gravity of such possible consequences, we shall return to this issue at greater length in Chapter 8, when we come to consider recommendations for future legislative reform. For the moment, however, we shall look briefly at the consequences stemming from the operation of rent control down through the years.

The operation of rent control has long been a target for vehement criticism, for apart from the disincentive effects on potential investors, already referred to, critics also contend that rent control affected existing controlled properties in other ways. In the first instance, the capital value of property in the rent-controlled sector was severely depressed in relation to its market value as long as a protected tenant remained in occupation. A second factor to be noted, and one which one would primarily account for landlords' decisions to sell off properties cheaply or else allow them to decay, was that controlled rents were set and maintained at so low a level that landlords were unable to maintain their dwellings (or at least had no incentive to do so). With

\*The time period during which this Act had effect was extended to 25 April, 1982, by the Rent Restrictions (Temporary Provisions) (Continuance) Act, 1982, and then further extended to 25 July, 1982.

the onset of high inflation in the 1960's, building costs began to rise along with everything else and controlled rents began to lag further and further behind market rents.

As an indication of the failure of controlled rents to keep pace with market values, a small survey carried out by **Threshold** revealed that the average rent being paid by controlled tenants in September 1979, was £10.80 per month, compared with the average of £72 per month being paid by uncontrolled tenants during the same period.\*<sup>7</sup>

Although tenants in rent-controlled dwellings enjoyed protection from eviction and the financial benefit of very low rents, they had often to endure the effects of living in dwellings of poor physical condition. Almost by definition, most controlled lettings were in fairly old properties and many lacked even basic amenities. This situation was aggravated because the low rental incomes received by landlords were not conducive to ensuring that the property was maintained in good order. Again, not infrequently in the case of Dublin, landlords sold off properties very cheaply with sitting tenants to property speculators who, having got the property very cheaply with the sitting tenants, then sought to get rid of these tenants by allowing the house to fall down around their ears. Even though such a course of action is in theory illegal,<sup>8</sup> punitive measures were not vigorously enforced and dwellings have undoubtedly been lost to the housing stock as a direct result of this practice. Many tenants have also lived in the constant awareness that the landlord wished them to vacate. A high proportion of rent-controlled tenants were elderly, many lived alone and this awareness proved a constant cause of anxiety for many of them.<sup>9</sup>

Even though rent control has undoubtedly been detrimental to landlords, to the housing stock in general and, to a lesser extent, to tenants, the way in which it has been dismantled, however, has created widespread uncertainty and fear for an already vulnerable section of society. The fact that the death of rent control was the result of a Court decision rather than of a planned approach by legislators raises serious questions concerning governments' approach to this sector of housing. These more fundamental political implications are examined in more detail in a later chapter.

## 2 Other Forms of Government Intervention

To ascribe the problems of the privately rented sector solely to rent control is misleading. Other less controversial interventions on the supply side have been important too. Chief among these has been slum clearance, which since the nineteenth century, has resulted in the removal and replacement of many thousands of unfit dwellings, many of which were privately rented. Slum clearance has had a major impact on the movement of households from private to public housing, and has contributed substantially both to the decline of the privately rented sector and the growth of the public sector. Furthermore, measures adopted to deal with overcrowding, health and safety regulations,

\*These lower average rents being paid by controlled tenants must of course be viewed in the light of the lower level of service available from rent-controlled dwellings.

which may not have led directly to the removal of privately rented dwellings, have had the effect of reducing the number of tenants that are housed in the private rented sector and have created a need for alternative accommodation, again mainly in local authority housing.

It is also frequently argued that the disadvantageous tax position of private landlords, both in relation to the treatment of their rental income for tax purposes and the failure to grant depreciation allowances on their rented property, have influenced both the level of investment in new private rented accommodation down through the years and discouraged existing landlords from maintaining their properties in good condition.<sup>10</sup> Thus, compared with investors in other forms of earning assets, investors in property for renting are severely disadvantaged under the income tax system. Of course it is not possible to estimate the effect of this disincentive in the past, but given the phenomenal growth in more recent times of furnished lettings, it has not deterred new landlords from entering into the private rental market and clearly many of them feel that there is sufficient incentive to enter the sector in spite of the tax disadvantages.

This apparently illogical behaviour, however, becomes more understandable when it is viewed firstly, in terms of the type of property which has come onto the market in recent years; secondly, in the light of the frequently-made accusations that tax evasion is a fairly common practice amongst private landlords<sup>11</sup>; and finally, in the light of the factors which motivate some landlords to enter the letting business. From the available evidence in Britain, it is quite clear that large property companies owning many properties do not have the same attitude towards property, or the same goals as small owner-occupier landlords with one or two properties<sup>12</sup>. The property companies are profit-maximisers with a definite investment policy and a professional management of property. For the small-scale landlord, the situation is often quite different. Many are "involuntary" landlords in the sense that they have acquired property through inheritance. For some, renting off part of the house is a supplement to their income. For the elderly, owning a few houses is a source of security, however small the return. It cannot be denied that there are many small-scale landlords however, who are just as much profit-maximisers as the largest property company; only in their case, other goals may often have priority. Obviously, in such cases, the tax situation will not be viewed as a disincentive. From the available information, there is little doubt but that the vast majority of private landlords who let property in Ireland do so on a small-scale basis and so the existence of disadvantageous tax laws may not have any bearing whatsoever on their decision to enter or remain in the business. The real issue concerning this disadvantage arises, however, in relation to the failure of large-scale investors to become involved in this sector of our housing market in the present century\*. In this context, reference should be made to the failure of Insurance Companies and Pension Funds to invest their funds to any significant extent in providing rented residential property.<sup>12</sup>

\*There are, of course, other reasons why such institutions have not invested in private rented accommodation to any large extent.

Before concluding on this theme, it should be noted that legislation enacted in 1981 has modified somewhat the tax disincentive and it is to be hoped that this development will encourage more institutional investment in accommodation provided for rental purposes. (See Appendix C).

### 3 Other Factors

The provision of dwellings of minimum standard at a rent working people can afford while at the same time allowing the investor an adequate return on his investment is not practical in the absence of subsidies, nor has it been for a long time now. This is the basic problem besetting the private rented sector and it is the problem which policy makers must now face up to. The provision of all types of housing is expensive, in terms of actual and opportunity costs. This is so because minimum standards are now expected by households and in some local authority areas bye-laws are in existence which seek to ensure that such minimum standards are reached in dwellings provided for rent.

This particular problem had begun to manifest itself in Britain, as Greve has pointed out, long before the advent of rent control. He states that in the early years of the present century economic forces were at work which led to "a sharp swing away from housing — and that meant rented houses — to more attractive enterprises abroad"<sup>14</sup>. Higher housing standards and rising costs, he stated, also played their parts. For example, a house costing £250 in 1914 was estimated to cost £1,000 in 1919-1920,<sup>15</sup> and so it became impossible to build houses and let them at rents within the means of people who had traditionally been tenants of private landlords.

Various Housing Acts passed in the early years of the century would appear to substantiate the above argument. In passing Acts<sup>16</sup> which subsidised the provision of local authority dwellings (incidentally long after local authorities were empowered to provide dwellings) and subsequently an Act<sup>17</sup> which brought the taxpayer to the assistance of the private house purchaser, the State recognised that provision by private landlords for rental purposes was no longer sufficient to meet housing needs.

The overall effect has been to seriously restrict the construction of new housing specifically for private renting. If a developer has a plot of ground subject to planning permission, the most profitable course of action dictates either commercial development and/or the construction of owner-occupier housing. When new building for rental purposes has taken place, rents are, of necessity, set at such high levels that access can be gained only by high-income households. Such developments have given rise to a duality in the private rented sector. On the one hand are the modern, high quality and high rent apartments and on the other hand are poor quality premises converted from existing old, and frequently dilapidated owner-occupied dwellings.\* Even though the costs involved in getting such flats on the market can also be quite high,

\*The letting of new houses on suburban estates could be said to form a third sub-sector here, but in view of the high rents asked for such premises, it is better to view this development as part of the high rent and high quality sub-sector.

such landlords can maintain their profitability by letting to multi-households, allowing sharing of amenities and by reducing outgoings on maintenance and improvement.

### Factors Affecting Demand

The financial benefits conferred through subsidies on tenants in the local authority sector, along with the generally higher standards pertaining in this sector, and the tax and other financial advantages accruing to owner-occupiers, along with advantages of status, contrast sharply with the position of private tenants and have spurred on the growth in demand for the former two as opposed to the latter tenure form.

### The Uncontrolled Sector

The non-controlled private rented sector comprises all those dwellings which did not have their rents controlled under the Rent Restrictions Acts. All furnished lettings fall into this category as well as an unspecified number of de-controlled and new unfurnished dwellings. Figures for the furnished element of this sub-sector indicate that it grew by 164% between 1946 and 1971, increasing its share of all occupied dwellings from 1.8% to 4.4%.

In contrast to the level of intervention in other sectors of the housing market, there is little public control over any aspect of the uncontrolled private rented sector. This low level of public responsibility reflects itself in the major distinguishing characteristics of the sector which we shall now examine in detail.

### Major Characteristics of the Sector

**Evictions:** Undoubtedly, the most serious consequence arising from the low level of control exercised over this sector is the almost non-existent security of tenure afforded to the tenant. Unless the tenant has been in continuous occupation of the premises for a period of 20 years or more<sup>18</sup> (which is an extremely rare occurrence for a tenant of an uncontrolled private dwelling), the landlord can institute eviction proceedings against him at any time. The landlord need not show any breach of agreement or default on the part of the tenant in order to take action for possession, in the absence of a lease or written agreement. Leases are the exception rather than the rule, since their existence is totally at the discretion of the landlord, and those which do exist are usually for short periods — usually yearly.

Most tenancies are let on a weekly or a monthly basis and these can be terminated at one week's or one month's notice. Although the tenant can postpone the eviction by insisting that the landlord seeks an Order for Possession through the Courts, this rarely delays the inevitable by more than a couple of months and the tenant also runs the risk of having to pay for the proceedings.

**Rents:** The chief distinguishing characteristic of this sector, as is inherent in its title, is that rents can be raised at frequent intervals and are not liable to insti-

tutional control. The only real restraints on rent levels are short-term contractual commitments in those cases where a written agreement is in existence and, more generally, the element of competition between landlords which prevents the rent for a particular tenancy from deviating too far from the overall level. From the above it might appear as if there is an inherent logic involved in the fixing of rents in the sector, and to some extent this is the case. Predictable factors such as location, amenities, size, design and physical condition do undoubtedly influence the level of the rent, but not all variations in rent levels can be simply imputed to these factors. In practice, it would appear as if there is a considerable random element involved in the fixing of rents and this impression has come across to **Threshold** workers time after time over the past number of years. We have seen dwellings with largely similar characteristics let for widely varying rents, while we have also noted similar rents being paid for dwellings with enormously different degrees of comfort, convenience and amenities. Such variations reflect to a certain extent the motivations of different types of landlords and also, of course, the level of knowledge of tenants themselves concerning the market.<sup>19</sup>

With very few exceptions it is clear that rents in this sector are high in relation to average housing costs in other sectors, in relation to tenants' incomes and in relation to the standards of service provided in return and, in addition, these rents tend to rise faster than housing costs in other sectors.<sup>20</sup> From the limited information available to **Threshold**, it would appear as if such rents have been increasing at an alarming rate in Dublin in the years 1981 and 1982. This is not surprising in view of the ever-increasing demand for rented dwellings in Dublin, coupled with the increasing difficulties involved in raising the supply rate in the traditionally favoured locations and the increasing competition from other land uses for these areas and for available investment funds. These demand and supply factors can only become increasingly imbalanced in future years, leading to greater hardships for tenants unless steps are taken to direct this otherwise inevitable course of events in a more favourable direction.

**Tenant Rights:** The tenant of an uncontrolled letting does have rights which, on the face of it, should ensure that he enjoys peaceable possession of the premises for as long as the agreement (whether written or verbal) exists. The landlord is not permitted to enter the rented premises without the consent of the tenant, unless he has reserved the right at the time of letting or to carry out essential repairs. Otherwise, entry would constitute trespass and the tenant is entitled to change locks in order to protect his/her privacy. If the landlord is guilty of harassment, the tenant may take a Court action for injunction and damages. Intimidation and persecution, including threats of eviction, as well as interruption of the enjoyment of the facilities, such as the disconnection of electricity aimed at forcing the tenant to leave, count as harassment. Where the landlord has physically evicted the tenant, an injunction can be sought compelling the landlord to permit the tenant to re-enter the premises.

It must be said, however, that these rights exist in many cases in name only. This is mainly because of the understandable fear of many tenants in

exercising such rights, when they realise that the eventual response from the landlord could be a notice to quit. The mere desire on the part of the landlord to regain possession or to get rid of a particular tenant is sufficient reason for eviction. The lack of effectiveness of tenant rights is also due, to a lesser extent, to ignorance of these rights on the part of the tenant.

**Maintenance and Repairs:** Provisions relating to the undertaking of repairs could be said to be ineffective for similar reasons. Section 70 of the 1966 Housing Act empowers local authorities to make bye-laws in relation to private rented accommodation, which are intended to ensure proper drainage, ventilation and lighting and the execution of structural repairs. Even where these bye-laws exist (they are non-existent in most Irish towns) there are problems of enforcement. Intervention on the part of a local authority to ensure repairs can threaten the security of tenure of the tenant and many tenants choose to live in sub-standard accommodation rather than risk the very real threat of eviction involved in reporting a property to the local authority. Even where cases are brought to Court, lack of adequate penalties would seem to make the bye-laws an ineffective deterrent. Even compulsory registration of landlords, required under Dublin Corporation's bye-laws, has proved ineffective as a means of controlling standards, mainly because most landlords have simply refused to comply with the request to register.

Apart from the absence of adequate control over the standards of the large stock of existing flats, bedsitters and rented houses, control over new conversions would also seem to be seriously deficient. Permission to change the use of a premises for the purpose of private letting must be sought under the terms of the Planning and Development Act, 1963, but it is probable that many conversions are made without seeking permission.<sup>21</sup> The difficulty in enforcing these regulations relates, for one thing, to the fact that conversions usually do not cause significant external changes to the property. Secondly, the simple deterrents which can be employed in the owner-occupier sector, such as the withholding of grants, are absent in these cases. The end result is that, with the exception of a small minority of new blocks of flats or new houses, there appears to be the minimum of control over standards of property coming into the market for private rented accommodation for the first time.

**Entry into the Sector:** In comparison with entry into the owner-occupied sector, entry into the uncontrolled private rented sector in the past has been relatively easy in terms of financial cost. However, as we shall discuss in Chapter 4, the financial costs involved in becoming a private tenant in the light of some recent developments have served to make access more difficult, particularly for those on low incomes. Over the period of our survey the only costs involved in securing a flat were a deposit which was asked for by most landlords, to be held by them as security against damage being done to the premises which could be considered to be "above normal wear and tear", and an advance payment of rent.

Furthermore, whether or not a person will be acceptable as a tenant in private rented accommodation is entirely at the discretion of the landlord

and on the ability of the prospective tenant to pay the rent demanded. The former condition leaves the procedure open to possible elements of abuse of power whereby potential tenants can be discriminated against on a wide range of personal characteristics which could include age, sex, marital status, race or even physical appearance. Even if entry is initially secured, the tenant may be evicted as some of these characteristics change, notably marital status, or when a first child is born to a married couple. Entry into this sector is not made easy by the fact that, although a wide variety of flats, bedsitters and houses can be rented for various rents in different areas, no central information on these exists and the prospective tenant usually relies on press advertisements and personal interviews with landlords, a process which can be both time-consuming and expensive and with no guarantee of success at the end of the day.

## General Composition of the Privately Rented Sector

### 1. Tenants

The majority of tenants of private rented accommodation are those who wish to, or need to be mobile for whatever reason. A relatively high proportion of these are people living alone or living in groups of two or more in non-family situations, as can be seen from Table 2.3. These figures also show that in 1971 there was a higher than average number of private rented dwellings occupied by couples with no children, although these were concentrated mainly in the unfurnished (ex-rent-controlled) sector. Family households, with or without "others" account for a very small proportion of the furnished rented sector, which represents the lower limit to the number of uncontrolled lettings.<sup>22</sup>

Table 2.3 Household Type and Tenure Status, 1971

Household Type	% of Household Types in each Sector				
	Owner Occ.	Local Auth.	Rented Unfurn.	Rented Furn.	Rent Free
One person	62.0	11.4	12.3	10.4	3.8
Man & Wife	67.2	9.8	13.1	7.0	3.0
Man, Wife & Children	66.9	20.2	8.6	2.5	1.9
One Parent & Children	70.7	18.7	7.8	1.3	1.5
"Family" with Other	79.4	12.1	5.8	1.1	1.6
Two or more Families	73.4	19.9	4.8	0.6	1.3
Two or more Non-Family	69.3	8.2	8.3	10.2	3.9
Total Private Households	68.8	15.5	9.0	4.4	2.4

Source: From Baker, T.J. and L.M. O'Brien, op.cit., Table 9.5. Based on data from Census of Population of Ireland, 1971, Vol. VII.

Table 2.4 shows in more detail the breakdown between family and non-family type households. It demonstrates that while both household types fare equally well in the distribution of owner-occupied dwellings, major differences occur in the share-out of rented dwellings. Not surprisingly, the basic family household does much better in securing access to local authority dwellings and accordingly, has a lower dependence on private rented accommodation. This table, however, conceals some significant locational contrasts as may be seen from Table 2.5, which shows that owner-occupation among non-family households is very much a rural phenomenon, with a heavy reliance placed on private renting in urban areas, particularly in Dublin County Borough.

**Table 2.4 Proportion of Family and Non-Family Households in Various Tenure Types, 1971**

Household Type	Local Authority Renting	Private Renting Unfurnished	Private Renting Furnished	Owner Occupier	Rent Free
One Person and Single Persons Sharing	10.2	10.7	10.3	65.0	3.9
Basic Family Unit	20.2	8.6	2.4	67.9	1.9

Source: Census of Population, 1971, Vol. VII.

**Table 2.5 Proportion of Non-Family Households in Various Tenure Types in Urban and Rural Areas and Dublin County Borough, 1971**

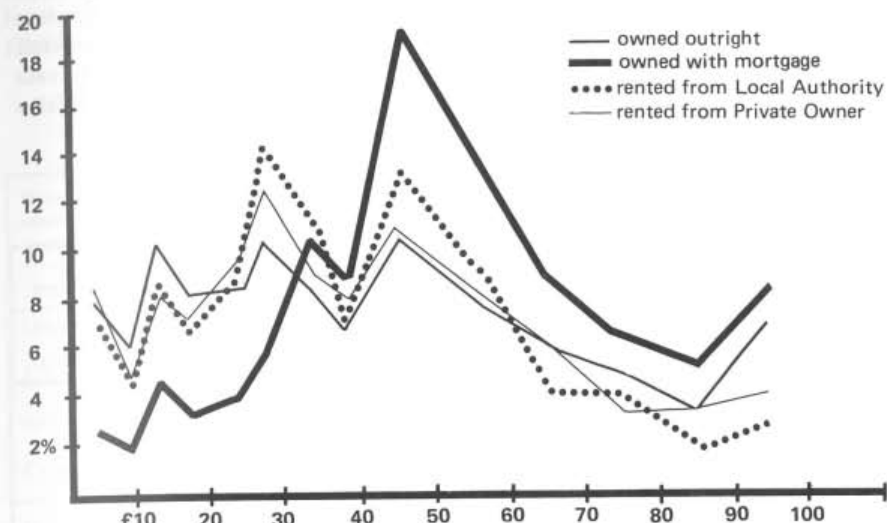
Area	Local Authority Renting	Private Renting Unfurnished	Private Renting Furnished	Owner Occupier	Rent Free
Aggregate Rural	3.8	4.1	1.0	86.4	4.7
Aggregate Urban	17.7	18.6	21.4	39.5	2.8
Dublin County Borough	18.3	19.1	32.1	28.7	1.9

Source: Census of Population, 1971, Vol. VII.

Note: For definition of "Family" and "Non-Family" households, see Note No. 22.

Available evidence would suggest that a wide range of income groups depend upon the private rented sector for their accommodation needs. At the lower end of the scale are those whose rents were controlled until recently by the Rent Restrictions Acts. Evidence derived from a **Threshold** survey of these tenants in 1980 would suggest that a very high proportion rely on old-age pensions as their sole source of income.<sup>23</sup> At the other end of the scale are the small number who rent luxury-type apartments from private landlords. We can

**Fig. 2.1 Distribution of Weekly Household Income by Tenure, 1973**



Source: N.E.S.C. Report on Housing Subsidies. (NESC Report No. 23, Stationery Office, Dublin, 1976A — Table No. 4).

assume that these tenants enjoy a higher than average income, although their numbers are difficult to assess.

The distribution of household income by tenure on the basis of the 1973 Household Budget Survey (H.B.S.) is shown on Fig. 2.1. This shows a relatively high proportion of low income tenants in the private rented sector while there is a greater proportion of higher income households among those who own with a mortgage than in any other sector.

**Table 2.6 Household Income, 1965-66 and 1973, by Tenure**

	Average weekly Direct Income 1965-66 (£)	Average weekly Disposable Income 1973 (£)	Average Household Size 1973
Owned Outright	20.40	33.10	3.72
Owned with Mortgage	24.92	46.80	4.56
Rented from Local Authority	15.18	33.90	4.89
Rented from Private Owner	16.58	32.10	3.02
All Households	18.94	36.20	4.01

Source: Household Budget Surveys, 1965-66 and 1973

Despite this wide range, the two national Household Budget Surveys of 1965/66 and 1973 show that tenants in private rented accommodation, on average, had lower incomes than those in the other housing sectors, as can be seen from Table 2.6. This is offset to some extent by the fact that tenants in private rented accommodation also had the smallest average household size, as can also be seen from Table 2.6.

**Table 2.7 Average Weekly Household Expenditure on Rent etc. and on Loan Repayments, 1973 (£).**

Gross Weekly Household Income	Rent, Rates and Water Charges		Loan Repayments
	Rented from Local Authority	Rented from Private Owner	Owner-Occupier (a)
	£	£	£
Under £20	1.17	1.98	0.86
£20 — £40	2.69	3.80	2.35
£40 — £70	2.76	4.60	3.53
£70 and Over	2.76	6.73	4.72

Note: (a) Including those who are making repayments on a Tenant Purchase Scheme.

Source: N.E.S.C., **Towards a Social Report** (NESC Report No. 25, Stationery Office, Dublin, 1976B) Table 6.16. Based on H.B.S. data for 1973.

Table 2.7 shows the average weekly expenditure by households on rents, etc. classified by the income of the household. This shows that the average weekly rents of dwellings rented from private owners were significantly higher than those for dwellings rented from local authorities in 1973. It is noteworthy that 28% of private sector tenants had a weekly household income of less than £20 in 1973. The expenditure of these lower income households on rent was, as Table 2.8 shows, on average, 14% of all their household expenditure, compared to a proportion of 11% for all tenants in the private letting sector. In each income group, private tenants spend significantly more on housing than do local authority tenants, even though the private letting sector includes tenants in rent-controlled dwellings.\*

Further evidence of the fact that rents are higher in the private rented sector is shown in Table 2.9, which is based on 1971 Census data. This source has the advantage that it distinguishes between rents paid for furnished and unfurnished lettings; rent of the latter, as we have already said, being subject to

\*The results of the 1979 HBS (for urban areas only) show that, in comparison with the 1978 results, there has been a remarkable rise in the housing expenditure/income relationship in the private letting sector, especially for those in the two lowest income categories which are used in Tables 2.7 and 2.8. This change has not been matched by any other tenure sector.

rent control. This table shows that in 1971 the average weekly rent paid by local authority households was £1.89; in unfurnished accommodation it was £2.13 and in furnished accommodation it was £5.89.

**Table 2.8 Weekly Household Expenditure on Housing as a Proportion of Total Household Expenditure, Classified by Gross Income and by Tenure Type, 1973 (a)**

Gross Weekly Household Income	Owned Outright	Owned with Mortgage	Rented from Local Authority	Rented from Private Owner
Under £20	4.5	8.7	7.8	13.8
£20 — £40	4.1	11.0	8.5	12.3
£40 — £70	4.1	10.4	5.9	9.2
£70 and over	4.3	10.5	4.5	9.2

Note: (a) Excludes the "rent-free" category

Source: NESC (1976A), op. cit., Table 17

## 2. Subsidies

In the previous section we saw that housing costs in the private rented sector are high in relation to those in other sectors and in relation to income. These high costs stem from a combination of short-term leasing, rapid turnover of tenants, lack of any legal or institutional restraints and from the almost total absence of any form of subsidy, either public or private, in the uncontrolled sector.\* Until the Supreme Court decision of June 1981, tenants in controlled tenancies were subsidised to much the same extent as local authority tenants — measured by the difference between the rents at which the dwellings could be let if there were no rent control and the actual controlled rents. The immediate burden of this subsidy fell on private landlords, but there did exist an indirect State subsidy, represented by the income tax foregone by the State if "market" rents were being charged. The sum involved, however, was very small in comparison with subsidies which apply to the other housing sectors and was also based on the assumption that landlords did make tax returns on rents received (Table 2.10).

In more general terms, the available figures for State subsidisation would seem to raise serious questions concerning egalitarian and social principles. By comparing these figures, for example, with figures on average income levels (Table 2.6) we can see that the tenure groups with the highest average income receive the highest aggregate level of subsidy, while the tenure group with the lowest average income receives the lowest level.

\*In a very small number of cases a small amount of rent supplement is available under the Supplementary Welfare Allowance Scheme.

**Table 2.9 Distribution of Rents Paid by Households and Average Rents Paid by Tenure Group in 1971.**

Rent per Week	Rented from Local Authority	Rented Unfurnished other than from Local Authority	Rented Furnished
	%	%	%
Under £0.23	4.9	4.7	0.8
£0.23 – £0.46	5.1	7.6	1.1
£0.46 – £0.69	7.0	9.7	1.8
£0.69 – £0.92	7.8	7.9	1.1
£0.92 – £1.15	7.1	10.4	2.8
£1.15 – £1.73	19.1	14.6	4.2
£1.73 – £2.31	12.7	10.8	7.2
£2.31 – £3.46	22.8	13.4	16.0
£3.46 – £4.62	7.2	8.1	19.9
£4.62 – £6.92	3.1	5.7	21.5
£6.92 and Over	0.2	4.2	17.8
Rent not Known	3.1	2.9	5.9
Total	100.0	100.0	100.0
Average Rent	£ per week 1.89	£ per week 2.13	£ per week 5.89

Source: Census of Population, 1971, Vol. VI, Table 15A.

Given the operation of this type of inverted subsidisation among other factors, it is not surprising that those relying on private rented accommodation must spend a higher proportion of their income on housing than those in the other sectors. As can be seen from Table 2.8, it is the lower income groups amongst private tenants who bear the heaviest burden of all.

As part of the Housing Package, 1981, the Department of the Environment announced a special tax allowance of 100% on expenditure incurred on development and construction in the provision of private rented accommodation, including the conversion of existing dwellings into two or more units. Although this is to be welcomed as a means of tackling the problems of ensuring an adequate supply of accommodation the immediate benefits accrue to landlords and the benefit to the most needy tenants in terms of housing costs is a long-term prospect.

**Table 2.10 State Commitment to Housing Subsidies,\* 1971-72 to 1975 and 1980 (£m)**

Tenure	Period					
	1971-2	1972-3	1973-4	1974*	1975	1980
Local Authority Tenants (economic rents minus rents paid)	11.2	12.5	16.1	20.0	26.9	62.1
Owner-Occupiers <sup>+</sup> (Explicit and Implicit)	19.8	24.6	32.0	28.1	42.3	86.8
Private Rented Tenants (Tax foregone re. Rent Control)	2.1	2.5	2.7	2.2	3.5	5.8

Source: NESC (1976A) op. cit., pp 8-9 and Blackwell, J., op. cit., Table 3.

\* Apr-Dec

+ Does not include tax relief on capital gains

### 3. Dwellings

The wide range of incomes of tenants in this sector is in some ways mirrored in the great variety of dwelling types which go to make up the stock. These range from the older stock of small houses in the inner city locations to the modern purpose-built flats and penthouses of the inner suburbs. Undoubtedly, the majority of private rented dwellings are the small flats and bedsitters in fairly central urban locations. The location of these would seem to relate closely to demand, with a large proportion resulting from the conversion of houses in inner city suburbs. In the case of Dublin, this type of development appears to have spread outward from the centre, keeping pace with the overall tendency towards urban sprawl. As former "satellite" settlements became engulfed by the City proper, established residents, many of whom owned large and exclusive type dwellings, moved outwards leaving behind a situation ideal for flat development. This process was particularly apparent in the southern suburbs.<sup>24</sup> Amongst the characteristics of these areas, as noted by Wallace,<sup>25</sup> are a high proportion of younger age-groups, more females than males, a very high turnover of tenancies and a large degree of alienation of flatdwellers from the remainder of the local population.

This type of development has served the accommodation needs of a young migrant population, mostly clerical and student, who require housing in a fairly central area for a limited period. The vast majority of lettings are furnished and therefore uncontrolled.

The unfurnished (ex-rent-controlled) dwellings, on the other hand, are mostly in more central urban areas. 25.3% of all tenures in Dublin's inner city in 1971, for example, were rented unfurnished.<sup>26</sup> In this sector of the private

rented stock, because of the effects of Rent Control, we could assume a very low turnover in tenancies, a higher proportion of older age-groups, and very probably, a greater degree of social integration.

In national terms, dwellings in the private rented sector tend to be smaller in terms of the number of rooms than those in the other tenure groups, as can be seen from Table 2.11. The average household size is also smaller in the private rented sector than in any other sector.

In contrast with the housing stock in other sectors, private rented dwellings are generally in more mature, often elderly, houses. They are in increasing danger from both decay and pressure from other land use demands, especially those connected with commercial and office development. The type of houses which can easily be converted into inexpensive flats and bedsitters are not a limitless commodity — at least in central urban areas. (We shall look in more detail at future supply problems in Chapter 8).

**Table 2.11 Household Size by Tenure, 1973**

Tenure	Average Household Size	Average No. of Rooms
Owned Outright	3.72	5.1
Owned with Mortgage	4.56	5.4
Rented from Local Authority	4.89	4.4
Rented from Private Owner	3.02	3.8
All Households	4.01	4.9

Source: Household Budget Survey, 1973

### Private Rented As a Housing Sector

Compared with its former importance, the privately rented sector is now no more than a residual feature of the housing system. The general characteristics of the privately rented housing stock, of tenants, of landlords and, above all, of the failure of successive governments to devise and implement effective policies for the sector tend to support this statement. Nevertheless, the private rental sector continues to play a significant role in the housing of various groups of people, a role which tends to belie its size and the importance attached to it in official policies and pronouncements.

Traditionally, at least since the beginning of the growth of owner-occupation, private rented accommodation has been used as a "stepping stone" to other tenure forms. This function accords with the popular belief that the rented flat, bedsitter or house is a temporary form of accommodation, designed to house those who need interim housing provision for a short period before entering the owner-occupied or local authority sectors. Numerous surveys which have been carried out in Britain down through the years show that the private

rented sector has been used, and continues to be used, in this "stepping stone" manner.<sup>27</sup> Unfortunately, no comparable survey data is available for Ireland, but from the experience of **Threshold** it seems as if this function is also an important one in the Irish context.<sup>28</sup>

This sector is also used extensively by single people and other transient households who have high mobility and who do not want the ties and responsibilities that are associated with owner-occupation. The traditional unfurnished sector provides permanent accommodation for elderly householders who have been tenants all their lives. This large immobile group pays generally modest rents, often for accommodation of low quality. Finally, the private rented sector provides shelter for a group found most frequently in housing stress areas and who cannot get accommodation elsewhere. These are the households often on the verge of homelessness, who are sometimes described as being "trapped" at the bottom of the housing ladder; public policy has been notably ineffective in dealing with their problems.

Currently, then, the privately rented sector fulfils a variety of important housing roles; providing housing for some groups who do not want the restraints imposed by house-ownership, but prefer the flexibility inherent in private rented; for others who are often not eligible under existing policies for public sector housing; and finally, for those who do not have any choice but to rent privately. It is because of these vital functions which it presently performs and the undesirable consequences which would follow from any major contractions in supply or other changes which would increase stress on tenants, that this report addresses the private rented sector as a legitimate and, at present, indispensable part of the housing system and calls on policy makers to view it in the same light.

Down through the years, housing policy has not treated the privately rented sector as an indispensable part of the housing system with a vital role to play in contributing to the attainment of the housing objectives set at national and local level.<sup>29</sup> On the contrary, housing problems have been defined within the context of the owner-occupied and local authority sectors and solutions to problems have been seen as falling within the ambit of these two sectors also, with an ever-growing reliance on the owner-occupied sector as being the most desirable form of tenure. In recent years, the stimulation of owner-occupation has become an important objective in its own right. From this it could be inferred that at policy making level owner-occupation is regarded as the normal mode and private renting as an aberration. If this is so, then the housing policies pursued in recent years become understandable, but not defensible. In defence of such policies, policy makers will point to the existing high level of owner-occupation as evidence of the population's preference, but this overlooks the fact that choice of tenure is conditioned by the actual policies (including the allocation of subsidies) operated by governments.

In recent years, Ireland has been joined in this strong promotion of owner-occupation by many other Western nations, who for most of this century had endeavoured to build strong private rented sectors along with other alternative forms of tenure.<sup>30</sup> As such we are not unique in the present emphasis which policy places on owner-occupation, but rather we are unique in our longer

history of stimulating owner-occupation at the expense of other sectors, particularly the private rented sector. We shall return to this theme in Chapters 6 and 7, where we shall argue for the implementation of more comprehensive housing policies with objectives which would seek to make the best use of all available housing and other resources and to distribute such resources fairly between all households.

## Conclusions

Although, as we have seen in the foregoing pages, tenants of private rented dwellings are exposed to many and varied disadvantages — both under the legal system and otherwise — private rented accommodation does also have some factors which operate in its favour as a housing sector. For a start, the level of choice of type, size, rent and location of dwellings is quite good, even if there are problems with initial entry. Transfer within the sector is less difficult than in the other housing sectors, since commitment to the tenancy is usually on a short-term basis. Changing flats is usually a much easier operation than selling one house for another or gaining a transfer on a local authority housing list and, in theory at least, this should mean that dwelling needs can be more efficiently matched to changes in individual circumstances.

While choice and ease of transfer within the sector are advantageous to the tenant, transfer out of the sector is often no more than a pipe-dream. The high rents which must be paid make it a constant struggle for many people to accumulate even a small deposit to enable them to become home owners. For some families, entry into local authority accommodation is a further option, but in Dublin this can often prove to be a long process. The young single person cannot entertain even this hope, since local authorities consider only single people who are either elderly or suffering from some form of disability.

The problems we have shown to be associated with the private rented sector have their roots in continual neglect by successive governments and are exacerbated by market imbalances. This is not altogether surprising if we accept that many interventions in the housing market have been perpetuated by governments because of inertia or political pressures. Both the wide range of groupings who depend on private rented accommodation and the high turnover of tenants would operate against the possibility of maintaining sustained pressure for reform.

## Notes and References

1. Stafford, D.C., "The Final Economic Demise of the Private Landlord?" *Social & Economic Administration*, 10 (i), 1976, p.3.
2. Due to lack of statistical and other data, it is not possible to give figures for the number of controlled rented dwellings. Census returns do not distinguish between controlled and uncontrolled dwellings, but rather between unfurnished and furnished lettings. Up to the 1961 Census, it was reasonable to assume that unfurnished, private rented

accommodation was virtually co-terminous with the rent controlled sector. However, since then, a growing number of unfurnished dwellings lie outside the rent controlled sector. Thus, while the term "unfurnished" can no longer be simply equated with "controlled", the Census figures given for unfurnished rented accommodation can be assumed as placing an upper limit on the size of the controlled sector (See Baker, T.J., and L.M. O'Brien, *The Irish Housing System: A Critical Overview* (E.S.R.I. Broadsheet No. 17, Dublin, 1979)).

3. Baker, T.J. and L.M. O'Brien. op. cit.
4. NESC, *Report on Housing Subsidies* (NESC Report No. 23, Stationery Office, Dublin, 1976 A) pp. 52-53.
5. *Threshold* (1980) op. cit., p. 20.
6. Quoted from the Judgment of the Supreme Court on the Housing (Private Rented Dwellings) Bill, 1981.
7. *Threshold* (1980) op. cit., p. 21.
8. Under Section 5 of the Housing Act, 1969.
9. *Threshold* (1980) op. cit., pp. 8-11.
10. Ministry of Housing and Local Government, *Report of the Committee on Housing in Greater London*, Milner Holland Report, (Cmd. 2605, H.M.S.O., 1965).
11. See National Flatdwellers' Association, *Flat Broke* (Dublin, n.d.).
12. Harloe, M., R. Issacharoff and R. Minns, *The Organisation of Housing: Public and Private Enterprise in London* (Heinemann, London, 1974).
13. The failure of Insurance Companies and Pension Funds, in particular, to invest a significant amount of their enormous funds in residential property for rent has now become a source of criticism within the property industry itself. See, *The Irish Apartment Market, February, 1982* (A report produced by Hooke & McDonald, Dublin, 1982).
14. Greve, J., *Private Landlords in England* (Occasional Paper on Social Administration, No. 16, Bell, London, 1963) p. 10.
15. Jarman, J.R., *Housing Subsidies and Rents* (Stevens, London, 1948) p. 19.
16. For example, Labourers' Act, 1906; Housing of the Working Classes Act, 1908.
17. Housing Act, 1919.
18. Under Section 13, subsection 1, of the Landlord and Tenant (Amendment) Act, 1980, a person who has continuously occupied a tenancy for 20 years or more is entitled to a new tenancy.
19. Baker, T.J. and L.M. O'Brien, op. cit., pp. 122-124.
20. Baker, T.J. and L.M. O'Brien, op. cit., p. 124.
21. Halligan, M., *Flat Conversions in Dublin* (Unpublished thesis, Dept. of Regional and Urban Planning, U.C.D., 1976).
22. In the Census a "family" is defined as a man and his wife, or a man and his wife together with one or more single children, or one parent together with one or more single children. "Non-family" households consist of one person living alone or single people sharing a dwelling.
23. *Threshold* (1980) op. cit., p. 22.
24. Johnson, N., *Migration Patterns in Dublin County Borough* (E.S.R.I. Memorandum Series, No. 95, Dublin, n.d.).
25. Wallace, W.A., *Flats of South Dublin* (Unpublished B.A. thesis, Dept. of Geography, U.C.D., 1973).
26. O'Connor, D., *Housing in Dublin's Inner City* (Housing Research Unit, School of Architecture, U.C.D., 1977).
27. See, for example, Donnison, D.V., "The Movement of Households in England", *J. of the Royal Stat. Society* (Series A), Part I, 1961, pp. 60-80.

# II

28. In July, 1981, the Dept. of the Environment published a selection of tables derived from the housing loan statistical reporting scheme which has been in operation since December, 1976, whereby borrowers from the four main lending agencies — building societies, local authorities, associated banks and assurance companies — complete special forms at the loan application stage and the lending agency sends the completed forms to the Dept. for analysis. Tables showing the previous tenure of borrowers are included in this publication. However, this data is limited in that it does not distinguish between the public and private rented sectors. (Dept. of the Environment, **Housing Loan Statistics 1977-1980 (July, 1981)**).
29. For example, no reference is made to the role of private rented accommodation in a very important regular publication which emanates from the Dept. of the Environment — **Current Trends and Policies in the Field of Housing, Building and Planning** (Dept. of the Environment, Dublin).
30. Harloe, M., "The Recommodification of Housing" in **City, Class and Capital**, edited by M. Harloe and E. Lebas (Ed. Arnold, London, 1981) pp. 17-50.

## **General Introduction to the THRESHOLD Data**

## **The Symptoms of Insecurity**

## **The Victims of Insecurity**

## **Conclusions**

## General Introduction to the THRESHOLD Data

# 3

Between 2 May, 1978 and 10 July, 1980,\* 3,000 cases, comprising complete family units, single parents and single people living alone or sharing, contacted **Threshold**, seeking information and/or advice on a wide range of housing problems. As already indicated in Chapter 1, not all of those who sought assistance during this period were private rented tenants. Although the vast majority were, quite a large number of local authority tenants, some owner-occupiers and people from outside the main tenure sectors also made contact. (See Table 3.1). As this is fundamentally a report on private rented accommodation, other tenure groups are not dealt with to any great extent, but where appropriate, data supplied by them is used for comparative purposes.

For the duration of the survey period, each person who approached **Threshold** with a housing difficulty was interviewed by a trained volunteer who recorded on an official form details under the following four headings\*\*:

1. *Personal characteristics* — age, marital status, income, occupation, family size.
2. *Present accommodation* — condition, size, location, rent.
3. *The specific problem* reported by the interviewee; for example, request for rent increase, eviction, homelessness.
4. In addition, depending upon the gravity of the problem, the interviewer completed the case report immediately, or over a period of time, by recording how the issue was handled, the number of contacts made by the interviewee and the eventual outcome.

With regard to the response level attained under the headings set out above, it must be realised that as an Information Centre, **Threshold's** primary duty is to address itself to the problem reported by the person who seeks help. In the case of a person who solicits assistance following a demand for a rent increase, for example, the amount of information required in order to help is usually minimal. If the interviewer establishes that the tenancy is uncontrolled, then he is

\*The survey upon which this and the following two chapters are based was conducted during this period.

\*\***Threshold**, of course, continues to gather and store this type of information.

Table 3.1 Threshold Cases According to Tenure Type

Tenure Type	No. of Households	% of Households
Private Rented — Uncontrolled	2,352	78.4
Private Rented — Controlled	148	4.9
Local Authority	219	7.3
Owner-Occupier	31	1.0
"Others" and Unknown	250	8.4
Total	3,000	100.0

immediately able to inform the tenant that he does not have any legal protection. In such cases, information on personal characteristics and accommodation circumstances is asked for and it is explained that this is for research purposes and is completely confidential. Although the response has generally been good in such instances, many people display an understandable reluctance to impart information, often over the telephone, on their income, their landlord's occupation (assuming they know it) or even their address, when their sole reason for contacting **Threshold** is to acquire a simple statement of their rights in a particular circumstance.

Nevertheless, the information which has been recorded and analysed is comprehensive, authoritative and certainly unique in Irish terms. As an introduction to the type of issues which have emerged, we will now describe in detail the information recorded in each of the four categories.

#### Personal Characteristics of Respondents

As can be seen from Table A1 (Appendix A), more than two-thirds of those who sought the assistance of **Threshold** were under the age of 30 years. (For private rented tenants alone, the figure was 67.7%). Tables A2 and A3 show that more than half the total were single and the vast majority were female. (For the private rented sector alone, these proportions were 64.0% and 79.0% respectively). Table A2 also shows that a very high proportion of recently-married couples sought assistance with housing problems. This pattern, in which contact from all tenure sectors was most frequently made by the young single girl, and recently-married couples, was established at the outset of the **Threshold** operation and remained fairly constant throughout the two years of the survey period.

As can be seen from Table A4, information on the income of respondents was more difficult to come by, mainly for the reason we have already cited. The figures on this table cover all tenure groups and, therefore, present a general picture rather than specific information on incomes in the private rented sector.

Reliable figures were obtained from 933 people — less than one-third of the total number of cases. Of these, the majority fell into a very low income bracket, having less than £3,000 per annum (disposable income). These people are not representative of the **Threshold** survey group in general. They comprise, for the most part, the unemployed, old-age pensioners and single parents. Our experience is that such people tend to volunteer information on their income more readily than do those who are actual income-earners. The lower-income categories are, therefore, over-represented in this table, while it is likely that the "unknown" category in the table contains a large representation of higher-income groups.

Bearing the above stricture in mind, the average weekly disposable income for each tenure group in our survey was calculated for the period 1978-1980 and is shown on Table 3.2, where it is compared with the average weekly disposable income results as shown in the 1978 and 1979 Household Budget Surveys for Urban Areas. This comparison shows that our figures, as already suggested, are on the low side.

Table 3.2 Average Weekly Disposable Household Income by Tenure: Comparison of Average Threshold Figure for 1978-1980 and HBS Figures for 1978 and 1979 for Urban Areas

Tenure	Average Weekly Disposable Income — HBS Urban Areas		Threshold
	1978 (£)	1979 (£)	Average '78-'80 (£)
Owner-Occupied with/without Mortgage	87.19	108.43	77.52
Local Authority	65.39	72.23	57.15
Privately Rented	66.23	75.36	52.34

The figures for the socio-economic status of respondents, shown on Table A5, give a slightly fuller picture, with almost half of the total number of respondents being recorded. These figures are also likely to be more representative than are the figures on income. They show a heavy concentration of people in salaried occupations and skilled manual jobs, but also indicate a wide spread of occupations. Most of those in the "retired" category relied on State Pensions and many were tenants of controlled lettings, as is indicated in the following chapter. Perhaps, slightly surprising, is the low number of students, given the fact that accommodation provision in most centres of higher education in Dublin is poor and that most students rely for their accommodation needs on the uncontrolled private rented sector. One possible explanation may be related to the fact that most of these centres provide counselling services for their students who experience housing problems.

It should be noted that the "Landlord" category on this table refers to the 90 private landlords who also requested information and advice. This group is not, of course, included in the main part of the analysis of tenants' problems

provided in the following two chapters. (A brief discussion of landlords, based on the information supplied by those who contacted **Threshold**, is to be found in Appendix B).

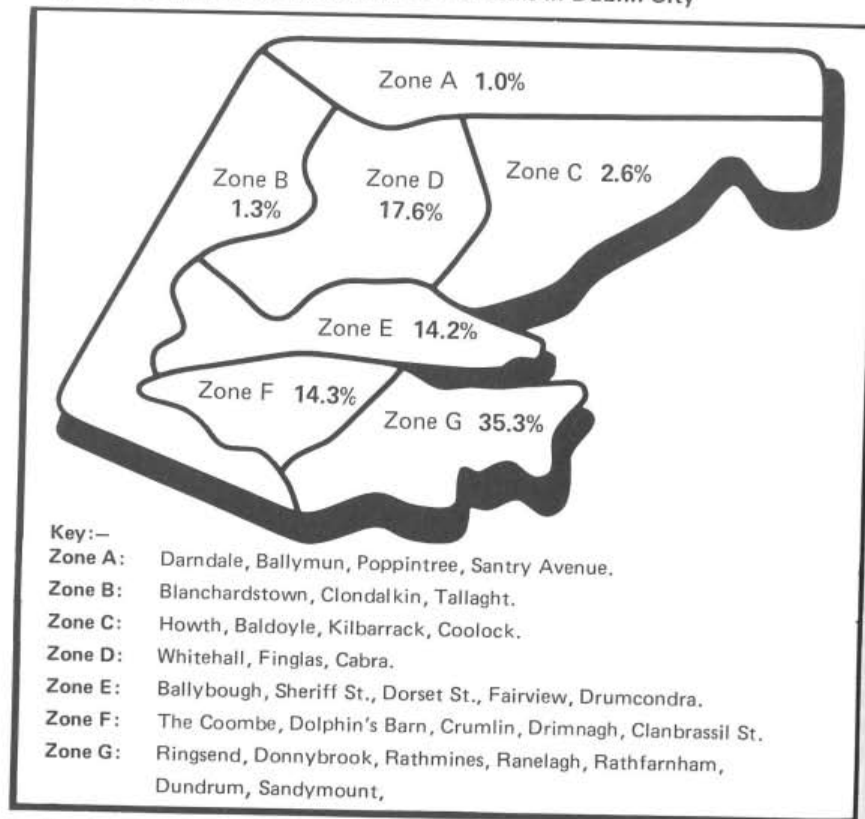
## Accommodation Circumstances of Respondents

### 1 Household Tenure and Size

The overwhelming majority (more than 78%) of those who approached **Threshold** for help during the course of the survey were tenants of uncontrolled private rented accommodation. Of the remainder, less than 5% were private tenants protected by the Rent Restrictions Acts; 7.3% were local authority tenants; and only 1% were owner-occupiers.

As can be seen from Table A6, the great majority of households in the private rented sector were in the "two to four people" category, with a significant number of single person households also existing. As is to be expected, the other two main tenure categories tended to show larger household sizes, with the "five to seven" person household size being the most common.

Fig. 3.1 Geographical Distribution of Problems in Dublin City

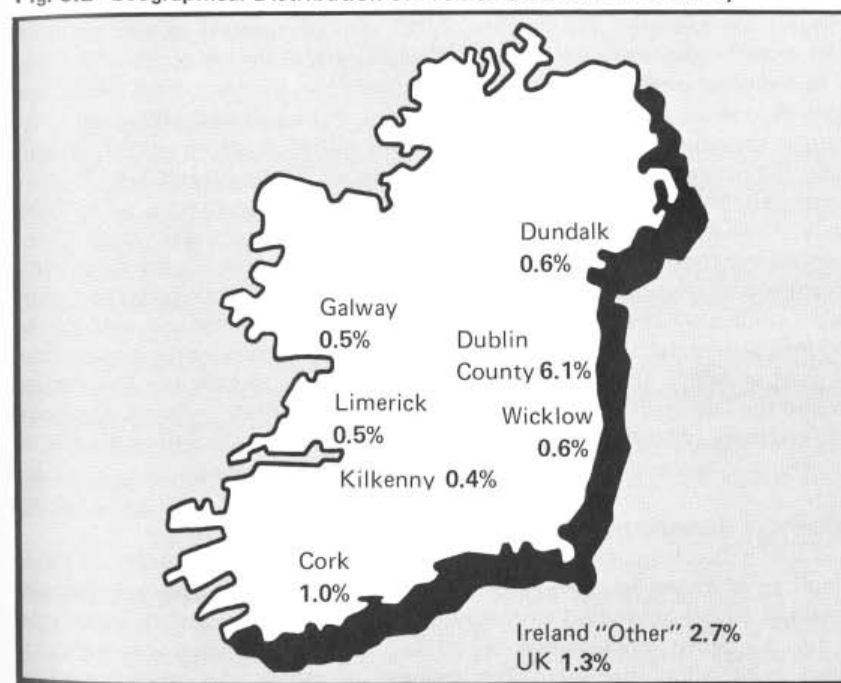


Source: **Threshold** Survey Data.

## 2 Geographical Location

Not surprisingly, given that **Threshold's** offices are located in Dublin City, the vast majority of problems (86%) originated in the City. Problems are not equally distributed, however, throughout the seven Zones into which the City is divided, as shown on Fig. 3.1. A very large proportion of inquiries came from the southern inner suburbs — with more than one-third of the total number of cases originating in this single Zone.<sup>1</sup> As Fig. 3.2 shows, 6.1% of inquiries were made from Dublin County, and a further 7.7% from other centres in Ireland, as well as from the North of Ireland and the rest of the UK. A more detailed analysis of the nature and extent of problems in each area is made in Chapter 5. (The delineation of Zones for Dublin City remains the same for the diagrams used in Chapter 5, so Fig. 3.1 is intended to act as an overall key).

Fig. 3.2 Geographical Distribution of Problems Outside Dublin City



Source: **Threshold** Survey Data.

## 3 Dwelling Types and Rent Levels

As Table A 7 shows, the majority of respondents were flatdwellers (53.9%). Almost 25% lived in bedsitters, and a further 13.4% were in houses. The majority of the "not applicables" shown in this table are accounted for by those people who were homeless on arrival at **Threshold**.

The rents being paid by private tenants in the survey were calculated in two ways. Firstly, the rent being paid for the dwelling itself (flat/bedsitter/house)

was recorded. The second estimate was of the rent being paid by *each* tenant, where a number of tenants shared a dwelling. This is useful as a means of comparing the housing costs of the individual or family unit, regardless of type of dwelling.

Table A 8 shows that the average cost to the individual or family unit was in the region of £10 weekly. More striking is the tremendous variation in rents being paid, ranging from figures of less than £1.00 per week to over £30.00 per week. (Chapter 5 examines in more detail the significance of these figures for various tenure, marital and income groupings).

#### 4 "Perceived" Living Conditions

The means by which the data was compiled obviously precludes us from presenting a fully objective assessment of the physical living conditions of the people in the survey. We do have some objective "indicators" of conditions, however; for example, 100 tenants (4.0%) who approached us had no inside toilet or bathroom, while a further 1,000 (40%) shared the use of these facilities. As an indicator of the "perceived" living conditions, however, each person was asked to make a purely subjective assessment of two separate measures — the physical conditions of their dwelling places and their relations with their landlords. The results of these questions are shown on Tables A9 and A10. Peoples' perceptions of their physical living conditions were surprisingly good, being evenly divided between those who felt that their conditions were either "fair" or better and those who felt that they were "poor" or worse. On the other hand, perceptions of relations with landlords showed that 33% felt their relations were "bad", while only 25% thought they were "fair" or better. Not too much can be read into these results as this form of assessment has many obvious drawbacks, not least of which are the high numbers who did not provide any information and also the fact that the respondents were weighted entirely in favour of tenants with problems, whose overall perceptions of their living conditions were in all probability influenced by these problems, no matter how trivial.

#### Problems of Respondents

Given the basic difficulties associated with the private rented sector in Ireland, to which we have referred in Chapter 2, the type of problems brought to **Threshold** by private rented tenants could be said to be somewhat predictable. As Fig. 3.3 shows, *eviction* was the single most common issue, accounting for almost one-third of the total. The majority of people who asked for advice regarding an eviction (80%) had been asked to leave by their landlords. The remainder had already been evicted, most of them illegally.

All of those in the *rent increase* category sought advice regarding the right of the landlord to increase the rent, and the vast majority had already been asked for an increase before approaching us.

Those whose main problem related to *repairs* were generally seeking information on the landlords's obligations with regard to maintenance of the property and also advice regarding means by which he could be compelled to carry out essential repairs.

The *house purchase* category refers to all those people who sought advice on buying a house. Many of these asked only for information, but some received ongoing guidance and support up until the actual purchase of the dwelling. The vast majority of those purchasers were private rented tenants who wished to move out.

Fig. 3.3 Major Housing Problems as Reported by Respondents



Those problems described as *local authority* issues relate to people who sought advice on the points system for the allocation of local authority dwellings. The majority of these cases were existing Dublin Corporation tenants seeking a transfer to another area and the remainder were living in the private rented sector but hoping to qualify for local authority accommodation.

The *homeless* were those people who literally had nowhere to go and sought information on the availability of hostel and other alternative forms of accommodation.

The main feature of the problems listed under *deposit* relates to disputes which frequently arose when a tenant vacated a letting and the landlord refused to refund the deposit.

In all the cases of *trespass*, the landlord had entered the tenant's dwelling (usually more than once) either legally or illegally and the tenant sought advice on the legal position.

From the description of problems given so far, the impression could arise that everyone who contacted **Threshold** reported one single problem only. This was not the case at all. For example, many people who had a problem relating to a demand for a rent increase also referred to the need for repairs to be undertaken on their premises. For the purpose of Fig. 3.3, however, the individual's single most pressing problem only was recorded.

It is not uncommon either for a series of problems to develop over a period of time. Many of our cases began with problems relating to a demand for a rent increase, led to an eviction and culminated in the person purchasing a house. The following case history, taken from a contribution made by **Threshold's** Research Team, to a recent publication, serves well to illustrate how one problem can transcend various issues and even housing sectors:

"Before coming to **Threshold** Joe and Mary S. had lived in a single room with their two young children on the south side of Dublin for eleven months. It was their third 'flat' since they were married four years previously. They had

been paying £16 per week for this room and for the use of a bathroom, which they shared with three other flats. When the heating system failed and they were left with no hot water, Joe began to make representations to the non-resident landlord to have the situation rectified. After three weeks he got a response — a notice to quit. When Joe and Mary came to **Threshold** their options were very limited. They knew better than anyone the stress involved in getting another flat — the days lost at work, the mental strain, the 'sorry no children' response from most landlords. They realised that trying to secure a loan to buy their own house was a lost cause; the local authority loan scheme offered little prospect as the couple had not been able to save enough for even a small deposit because of the high rents they had had to pay over the years. With the support of **Threshold**, an eviction from the private rented sector gave them priority standing with Dublin Corporation as a homeless family. This 'secured' for them a flat on the tenth floor of a corporation block miles removed from Joe's place of work. The S. family now 'live' on this tenth floor. The lift very often does not work and Mary finds the whole existence a constant strain. What keeps them going is the prospect of saving enough money to place a deposit on a small house and securing a loan from the Local Authority. They will probably succeed in this after two years. Joe and Mary are lucky — their period of purgatory may only be a brief one."<sup>2</sup>

The 9.5% of the total who are recorded as "other" in Fig. 3.3 represent a series of miscellaneous problems which are set out in detail on Table 3.3. Many of these "other problems" accompanied the major issues we have listed above. The most noticeable of these was the problem of *harassment*. More often than not, harassment and intimidation were reported, not as problems in themselves, but as adding to an ongoing problem. 31.4% of these people who were threatened with eviction, for example, also complained of *harassment* by their landlords.

Table 3.3 Secondary Problems Reported by Respondents

Issue	Number	% of Total
Harassment	444	14.8
Lease	183	6.1
Flat-Seeking	135	4.5
Heating/Power	81	2.7
Other	60	2.0
"Major" Issue	2,097	69.9
Total	3,000	100.0

Those people who sought advice on their *leases* were generally unsure of the conditions laid down in the written agreement and sought clarification.

Some people contacted **Threshold** in the hope that we could provide them

with a list of flats or bedsitters for renting. A high percentage of those who contacted us regarding the *heating or power* in their dwellings were concerned about the setting on their ESB coin meters, which are controlled by the landlord.\*

#### Growth in Threshold's Case Load and Handling of the Issues

Table 3.4 shows that after the initial quarter of our operation, the numbers arriving for advice remained fairly constant, with a peak in the quarter of February to April, 1980. The numbers of new problems being reported eased off somewhat in the early summer months (April–July) of each year.

The figures cited in Table 3.4 are based on the numbers of "new cases" only and take no account of the numbers of people who returned to **Threshold** on an ongoing basis. In fact, the length of time that a file may remain "open" can range from ten minutes (in the case, for example, of information on a rent increase being imparted over the telephone) to the two year period of the survey itself (similar to the case of Joe and Mary S.)

All these constraints make the evaluation of the responses difficult to quantify, but Tables A11 and A12 give some indication of the numbers of contacts involved in the case of one issue and on the general type of response made by **Threshold**.

Table 3.4 Numbers of New Inquiries by Quarter\*

Period	Number	% of Total	Average per Day
Apr – Jun '78	151	5.0	1.7
Aug – Oct '79	356	11.9	5.4
Nov '78 – Jan '79	355	11.8	5.6
Feb – Apr '79	366	12.2	6.0
May – July '79	341	11.4	5.2
Aug – Oct '79	390	13.0	6.0
Nov '79 – Jan '80	328	10.9	5.3
Feb – Apr '80	472	15.7	7.5
May – July '80**	241	8.1	4.8
Total	3,000	100.0	5.3

\*Including all cases who approached **Threshold** during survey period.

\*\*Numbers were recorded up until 10th July, 1980 only.

\*Electricity used in the vast majority of private rented dwellings is paid for by means of coin meters. The setting of these meters is done by the landlord, but tenants who have doubts as to the correctness of the setting should contact the Meters Division, E.S.B.

As Table A11 shows, more than 80% of the 3,000 people in the survey contacted **Threshold** only once or twice with regard to their housing problem. Of the 13.3% who made more than three contacts, however, a sizable proportion would be "long-term" cases and likely to be more demanding on personnel resources. Homeless families and couples attempting to buy their own homes accounted for a higher proportion of long-term cases.

The response labelled "advice or information" only in Table A12 is closely linked to the numbers of people who made only one contact. This refers mainly to the offering of information over the space of a single, or possibly two interviews, and happened most commonly in the cases of rent increases, repairs or people inquiring about written leases.

Contact was made with landlords most frequently in eviction cases, and especially where there was a direct threat made against the tenant. Contact was also frequently made with local authorities, notably Dublin Corporation, usually regarding the housing problems of family groups.

Reference was made to legal sources where the law had been broken – invariably by landlords, and most notably in instances of illegal eviction. In most of these cases, injunctions were obtained, reinstating the tenant and often securing compensation.

#### Notes and References

1. This Zone corresponds roughly with the "flatland" area identified in other studies. For a discussion of the major characteristics of this "flatland" area, see N.E.S.C. (1981A), op. cit., pp. 97-99. See also Brady, J. and Parker, A.J., "The Factorial Ecology of Dublin: A Preliminary Investigation". *Economic and Social Review*, (vii), 1975, pp. 35-53; Hourican, K., "Social Areas in Dublin". *Economic and Social Review*, (ix), 1978, pp. 301-318.
2. Dillon, B., L.M. O'Brien and D. O'Mahony, in *One Million Poor?* op. cit., p. 60.

## The Symptoms of Insecurity

In the opening chapters, the private rented sector of our housing system was discussed in general terms and the **Threshold** survey data, which provides the foundation upon which this report is constructed, was described. In this, and the following chapter, we will examine this mass of data in greater detail in order to build up a picture of the major problems of the sector.

#### Access to the Sector

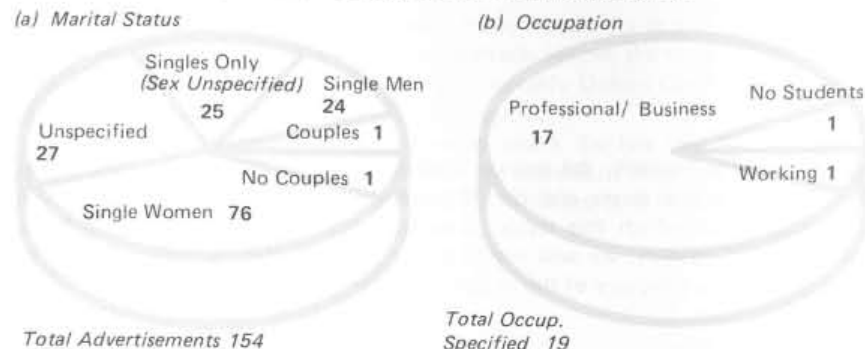
In contrast to the other main tenure sectors, there are no real institutional barriers to be cleared in order to gain access to privately rented housing. As already indicated, the necessary qualifications are ability to pay the rent, to be accepted by a landlord and to compete in the "open market" for housing which is in short supply in our larger urban centres. Thus, in theory, the privately rented sector is accessible to people who cannot buy a house; to those who may prefer to rent privately, rather than from a local authority; and to those who may not have the necessary qualifications for admission to a local authority waiting list.

Given the unstructured nature of the market, however, the process of gaining access to private rented accommodation, at least in Dublin, can be a fairly tedious and time-consuming exercise, especially for certain potential tenant groupings. This is because no institutions exist such as those which handle transactions in the owner-occupied sector. For example, those estate agents and auctioneers who actually handle private rented dwellings tend to deal only with the more expensive properties. Most of these are houses or luxury-type apartments, the majority of which are let at rent levels well beyond the means of the average flat hunter.

For the majority of flat seekers in Dublin, the main source of knowledge regarding the availability of dwellings, both for new entrants and those transferring within the sector, is the accommodation columns of the evening newspapers. A random glance at the type of advertisement placed by landlords will illustrate the difficulties faced by many would-be renters, as a marked

preference is shown for a certain type of tenant. Fig. 4.1 is based on the advertisements which appeared in a mid-week edition of the "Evening Press" during September 1981. The information given on the table shows that where personal characteristics were specified, landlords displayed a marked bias in favour of single people, particularly single females, and against married couples. Where the desired occupational status was specified, there would appear to have been a preference among landlords for tenants in professional or business-type employments.

Fig. 4.1 Specifications Regarding Desired Tenant Characteristics as set out by Landlords in "Flats for Rent" Column of Dublin Evening Newspaper.

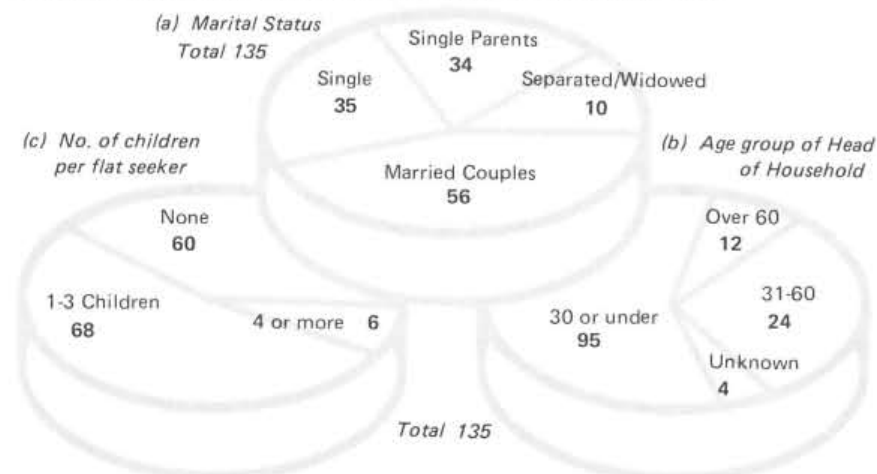


Further to the above general indication of problems of access we have data on 135 people who came to **Threshold** in the hope that we could be of some assistance in helping them find a flat.\* While we cannot assume that these were the people experiencing the most difficulty in finding accommodation; in the vast majority of the cases they had unsuccessfully attempted to find suitable flats before approaching us. As Fig. 4.2 shows, a breakdown of these cases in terms of marital status, presence of children and age, point to the fact that they are the people least likely to qualify for a tenancy on the basis of the requirements set out in Fig. 4.1.

Even if a would-be tenant succeeds in discovering a dwelling which he would like to rent and having satisfied the landlord of his suitability and ability to pay the rent demanded, that person is then faced with a number of other costs which recent information coming to light in **Threshold** would suggest can be very considerable indeed. Of these costs, the most common is the demand for a deposit and an advance payment of rent. Perhaps the most striking feature about deposits is their range rather than the actual amounts involved. In just over 300 (13.5%) of the **Threshold** cases, we were able to ascertain the amount of the deposit paid by the tenant on entering the dwelling. As Table 4.1 shows, the most popular demand was for a deposit the equivalent of two weeks' rent, but when measured against the per capita rents the tenants were paying, we can see that the amount of deposit could conceivably range from £2 to as much as £180.

\*They contacted us solely under the impression that we were a Flat-Finding Agency.

Fig. 4.2 Marital Status, Age and Nos. of Children of Threshold Flat-Seekers



A major determinant of the size of deposit requested was the type of dwelling being let. Our figures show, for example, that the most common deposit requested for a rented house was the equivalent of 4 weeks' rent, while that for a bedsitter or flat was predominantly the equivalent of 2 weeks' rent. We also discovered a less marked variation in the size of deposit requested depending on whether the landlord was resident or not. The average deposit paid to resident landlords was the equivalent of 2.2 weeks' rent, while the average for non-resident landlords was the equivalent of 2.6 weeks' rent.

Table 4.1 Size of Deposit Requested by Landlords in Terms of Per Capita Weekly Rent

Deposit Required (In terms of Weeks' Rent)	Weekly Rent Per Tenant					Unknown	Total
	Up to £5.01	£5.01— £10.00	£10.01— £15.00	£15.01— £20.00	£20+		
1 Weeks' Rent or less	1	34	40	8	1		84
2 Weeks Rent	1	41	56	13	12	1	124
3 Weeks Rent	—	8	14	8	3		33
4 Weeks Rent	1	18	27	12	12	2	72
5 Weeks Rent	2	6	1	1	1		11
6 Weeks Rent +		4	3	3	3		13
Totals	5	111	141	45	32	3	337

Although it is a common assumption in the literature relating to this sector that financial criteria, apart from the deposit, were not all that significant in determining access, this may no longer be the case.

It now appears that in addition to a prospective tenant being asked for a deposit and an advance payment of rent in order to secure a dwelling, that person may also have to pay very hefty fees in order to have electric power connected and gas supplied. All of these charges now mean that the entry costs associated with private renting may no longer be insignificant, but could in fact cause hardship for a great number of people and prove to be absolute barriers for some.

### Security of Tenure

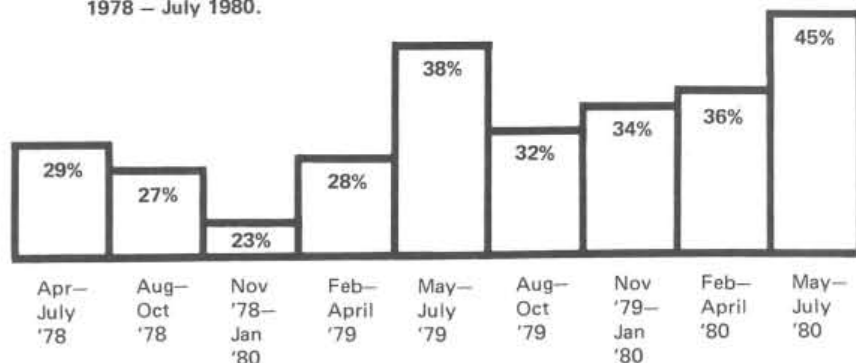
The broadest statement of Irish housing policy is that given by the Department of the Environment in **Current Trends**. According to this source, the overriding concern of policy is with ensuring that *"as far as the resources of the economy permit, every family can obtain a dwelling of good standard, located in an acceptable environment, at a price or rent they can afford"*<sup>1</sup>.

Apart from the difficulties of definition inherent in certain terms used in this stated objective, a most glaring omission is the lack of reference to ensuring the continued occupation of a dwelling once access has been gained. One of the most fundamental criteria we use in defining what constitutes a home is the security the occupant is afforded from eviction.

#### 1. Evictions:

Insecurity of occupancy can arise for many reasons and can be measured by means of a variety of indicators. Without doubt, however, the most significant indicator of insecurity for tenants of furnished private rented accommodation is the ease with which they can be evicted by the landlord. As we have explained in Chapter 2, the landlord's right to evict the tenant has full backing in law and, regardless of the rights or wrongs of a case, the landlord will invariably secure an Order for Possession against the tenant.

Fig. 4.3 Evictions (Threatened and Actual) as a Percentage of Total Problems April 1978 – July 1980.



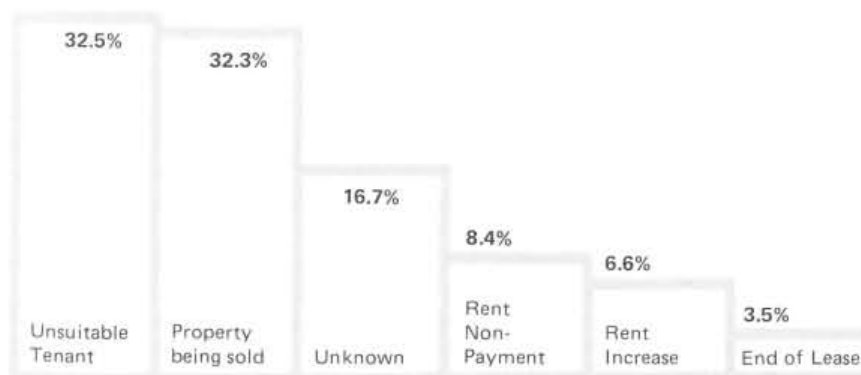
Given the fundamental legal safeguard of the landlord's right to possession, it is hardly surprising that private evictions account for the greatest single problem to be referred to **Threshold** over the two year survey period. In total, 972 eviction cases (either threatened or actual)\* were recorded between April 1978 and July 1980, accounting for almost one-third of the total number of problems dealt with over this period.

As illustrated by Fig. 4.3, the occurrence of evictions appeared to some extent to follow a seasonal trend, as the numbers being evicted tended to reach their peak in the early summer months, particularly between May and July 1979, and during the same period in 1980. It is difficult to explain this trend, but a look at the reasons given by landlords to their tenants may be of some assistance.

As noted earlier, a landlord does not have to offer a reason for serving a notice to quit on a tenant. It is not surprising, therefore, that a very wide range of "reasons" were given for the cases examined here.

Many of these reasons can be categorised under the general heading of "unsuitable tenant" as seen by the landlord. In many of these instances, some form of dispute had arisen between landlord and tenant, often beginning with something very small and finally resulting in a notice to quit being served. Others had developed as a direct result of the tenant insisting on a particular obligation being fulfilled by the landlord (such as the carrying-out of repairs) and a fairly large number had resulted from a change in tenants' circumstances (such as a person getting married or a girl becoming pregnant). As can be seen from Fig. 4.4, these factors accounted for a considerable proportion of the total number of eviction cases. Almost the same number of evictions were stated to be the result of an intention to sell or to have arisen from the actual sale of the property. Much less common reasons were those related to non-payment of rent, the end of a lease or agreement, or those cases where a tenant

Fig. 4.4 Reasons given for Instigating Eviction Proceedings by Landlords



\*In the case of "threatened eviction", tenants who approached us had invariably been served with a notice to quit. As the term "actual eviction" implies, the eviction had already taken place when the person concerned came to us.

had disputed a rent increase demanded by the landlord. All of these latter reasons, however, accounted for less than 20% of the total number of threatened and actual evictions.

Prudence needs to be exercised, of course, in the interpretation one can put on these findings. In the first instance, the reasons quoted for evictions represent the stated reasons as conveyed by landlords to tenants and so the assumption has to be made that what landlords conveyed to tenants was, in fact, the real reason why they wanted tenants to leave. While this may be an unsafe assumption to make in certain instances, in a large number of cases the stated reasons have been validated in some way by other evidence. For example, the fact that a landlord had made his premises available for viewing by prospective buyers can be taken as a reasonable indication that the property was, in fact, being sold. While it could be argued that the sale of the property should not necessarily result in the eviction of tenants, this does seem to be a common practice when rented properties change hands. Secondly, it must be remembered that **Threshold** only hears one side of every problem case, in almost all instances, the tenant's side. While it is the organisation's underlying philosophy to unreservedly accept that each person who approaches us for help should be given all the help possible and that this help is given on the basis that the information supplied is fair and accurate, there may have been some cases where tenants' own unreasonable behaviour led to the eviction situation, but we have no evidence at all to substantiate this in any of our cases. This is not to say, of course, that some tenants do not exhibit unreasonable behaviour which would constitute proper cause for eviction under existing legislative conditions. In fact, a number of landlords did approach **Threshold** seeking advice regarding the legal procedures involved in seeking the eviction of tenants who were being unreasonable in their behaviour.

A distinction was drawn at the outset of this section between those people who were threatened with eviction and those who had actually been evicted before arriving at **Threshold**. Members of the former group had invariably been served with a notice to quit and approached **Threshold** seeking information on their rights in the circumstances. This group accounted for 84% of all eviction cases. In the remaining cases, where eviction had already taken place, the person usually inquired about alternative accommodation or, where the eviction was illegal, about seeking a Court injunction against the landlord. Unfortunately, we do not have any data on the numbers of the former group who were subsequently evicted; we do know, however, that in many of these cases action taken by **Threshold** did prevent evictions taking place.

Those tenants who reported evictions as being caused by what was described as their "unsuitability" rather than for any breach of contract were more likely to have been actually evicted on arrival at **Threshold**. In the vast majority of these cases, the landlord had taken the law into his own hands and had physically removed the tenant and his possessions. This is less likely to happen in cases where the landlord intended to sell the property, or where the tenant refused to pay a requested rent increase.

We have already stated that harassment by landlords is a disturbingly

common feature of many evictions. (In 254 eviction cases (26.1%) the tenant also complained of harassment by the landlord). In these cases, it was again those tenants who were evicted on the grounds of "unsuitability" who fared worst of all, accounting for 60% of eviction cases where harassment was also complained of.

The vast majority of people who were evicted for reasons of "unsuitability" had no written lease. Indeed, as Fig. 4.5 shows, only 10% of those so evicted could claim this privilege. Only a very small proportion of both the threatened and actual evictions related to long-term tenancies. As can be seen from Fig. 4.5., almost half of those affected had been tenants for less than one year before being asked to leave, and only a very small number had been in residence for more than five years.

Fig. 4.5 Reasons Given for Eviction to Tenants with Written Leases and (b) Length of Time in Dwelling before Eviction — Threatened and Actual



In those cases of threatened and/or actual eviction, the amount of help that could be given to the tenant by **Threshold** was extremely limited, since the landlord would inevitably succeed in gaining possession, whatever his reason for wishing to get rid of the tenant. In most instances, our assistance amounted to an attempt at "playing for time" by ensuring that the landlord followed the normal legal process of obtaining a Court Order, thus giving the tenant a short period of relief during which he could look for alternative accommodation. (In those cases where the law had been broken by the landlord, the relief of the Courts was sought on the tenant's behalf.)

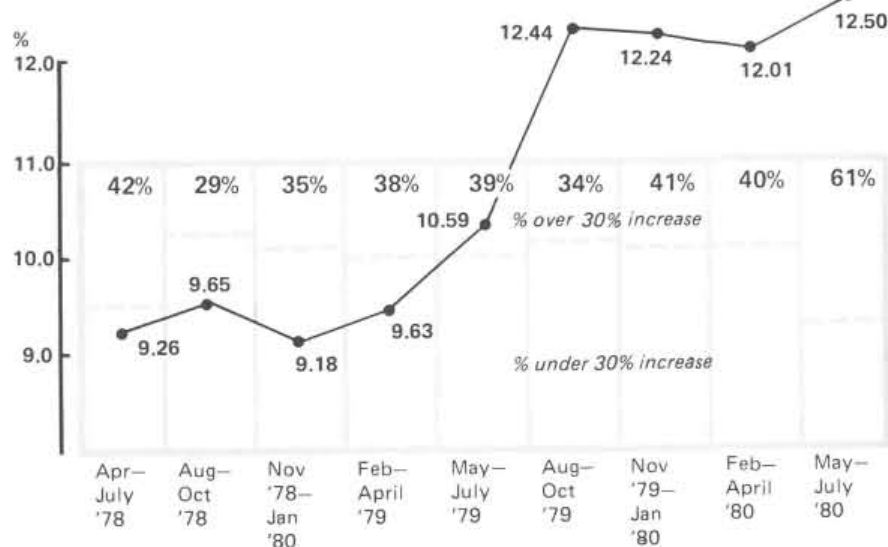
## 2. Rent Levels

Apart from the constant fear of being evicted, and for reasons frequently outside the tenant's control, the most serious threat to the tenant's security of tenure is related to the ability to meet the rent demanded, since the choice is invariably between paying or leaving. Given the picture we have painted in Chapter 2 regarding the ability of landlords to increase rents at frequent intervals, it is not surprising that problems arising from demands for rent increases also proved to be significant in the **Threshold** survey. In all, 669 such cases were recorded over the two year period, either as a single problem or coupled with another problem.

Our data shows that there was a wide variation in the percentage increases demanded, ranging from 5% to over 100% at any one time.

Despite this wide range, the average increase sought was alarmingly high, at 34.5%. This represents the average increase asked of tenants *at one time*, but we cannot say with certainty that it reflects the average *annual* increase.

Fig. 4.6 Increases Sought in Rent Levels According to Average Rent per Tenant – April '78 – July '80.



Over the two year period of the survey, the average increase in rent levels for all dwellings was 35%, while for the same period the average weekly rents of local authority houses increased by 45.3%\*,<sup>2</sup> average earnings of adult workers by 35.8%, consumer prices by 28.2% and house building costs by 39.8%.<sup>3</sup>

When we look at the pattern of rent levels for the total survey group over the two year period, however, a similar picture emerges. As shown in Fig. 4.6, the average rent being paid per tenant had risen from £9.26 per week in April 1978 to £12.50 in July 1980. This represents an average increase over the two year period of 35%. Fig. 4.6 also indicates that the early summer months – the same period when the rate of evictions increased – were also the periods relatively

\*While the increase in percentage terms for local authority houses looks quite large, it arose on a very low base, while the base for private rented was far higher. In 1978, the average weekly rent for local authority houses was only £2.67 while for all private rented dwellings (including flats and bedsitters and controlled dwellings) it was £9.26 per week in April 1978.

very frequently associated with demands for rent increases\*. Furthermore, the trend appeared to be towards even more substantial demands for increases during this period, judging by the fact that 61% of the increases demanded between May and July were of the order of 30% or more.

As we have already stated, rents in the uncontrolled sector are free to move in accordance with market pressures. As such, given the conditions which have prevailed in the private rented sector in recent years and in the economy in general, it is not surprising that the trend in rent levels is ever upwards. While strict economic logic might dictate that this should be the case, one should not overlook other arguments which might dictate that this should not be allowed to happen. It is **Threshold's** experience that large increases in rent are very often demanded for premises which cannot be justified, given the dire conditions in which the tenants are expected to exist.

### Physical Conditions

A further important indicator of the degree of security enjoyed by a tenant is the extent to which he/she is able to ensure that the physical conditions of their premises are maintained at a reasonably comfortable level. It must be seen as one of the weaknesses of this report that we are unable to supplement our limited evidence in this area with an objective survey of living conditions. The evidence we have been able to obtain, however, suggests that standards are far from satisfactory. This evidence comes from four main sources:

1. A large number of tenants came to **Threshold** seeking advice regarding their landlords' obligations to carry out essential repairs.
2. A very general overview of living conditions was obtained from our interviews, based on a subjective assessment by tenants themselves of the state of their dwellings\*\*.
- Although the results obtained from this process must be treated with caution, they do provide an important indicator of the perceptions of people depending upon the private rented sector for their accommodation needs – a very important indicator given the broad definition of insecurity to which we address ourselves.
3. The third source was the information we were able to obtain on the degree of sharing and overcrowding being experienced by tenants.
4. We also have data from our survey group on the absence of certain standard facilities and the degree of sharing of such facilities.

\*The graph does include the rent of those tenants who were protected by the Rent Restrictions Acts. This would have a very marginal effect on all the rent levels, since the number of controlled tenancies was small. The high rate of increase in May–July 1980 is also due partly to the High Court decision on Rent Control, in the wake of which some landlords asked for particularly exorbitant increases.

\*\*All tenants were asked to describe their living conditions and the response was coded on a scale from "excellent" to "very bad".

### 1. The Problem of Repairs

For 320 of the tenants (12.8%) who sought the help of **Threshold**, the need for repairs to their premises was the main problem reported. Others who had more pressing problems (notably those who were asked for rent increases) also reported that repairs of one form or another needed to be carried out. Fig. 4.7 gives a breakdown of the nature of the repairs which were needed in all cases. The most common occurrence was the need for "multiple repairs". This classification was used only where major repairs needed to be carried out immediately in two or more of the other areas listed in Fig. 4.7.

Repairs were recorded as "structural" only if part or parts of the structure of the premises itself needed replacing (such as windows, doors, or even the roof). The majority of repairs needing to be done in connection with water supply occurred in the winter months, and resulted from burst pipes due to freezing.

#### 4.7 Classification of Repairs Needed in Tenants' Dwellings



In these cases, generally, **Threshold** was able to point to the rights that the tenant *did* have — unlike the majority of rent increase and eviction cases. Since the vast majority of these tenancies were in the Dublin urban area, the landlord had obligations under the Corporation's bye-laws. In the cases which were reported, considerable success was achieved. The main obstacle to even reporting on these cases, however, was the ever-present threat of eviction. When most tenants learned how easy it was for the landlord to evict them, they were reluctant to put pressure on him to carry out repairs. Most chose to endure unsatisfactory conditions rather than face the threat of eviction. In the area of repairs to the premises, then, it was not the lack of tenants' rights which posed the main threat to security as much as the inability to exercise these rights due to fear.

### 2. Tenants' Perceptions of their Housing Conditions

More than 1400 cases provided our interviewers with a description of the physical conditions of their dwellings. As we have already shown in Table A 10, about half of these people described conditions as being poor or very bad.

Apart from the problem of subjectivity to which we have already referred, a further note of caution must be sounded in that tenants who come to **Thres-**

**hold**, in general, are likely to be those enduring worse than average living conditions. Nevertheless, the figures shown in Table A 10 do indicate a substantial degree of dissatisfaction amongst a significant number of tenants. This degree of dissatisfaction appeared to be largely unrelated to the amount of rent the tenant was paying except for the very lowest rent category, as Table 4.2 shows.

Table 4.2 Percentage of Tenants who Described Living Conditions as Poor or Very Bad by Level of Rent

Weekly Per Capita Rent	% of Tenants who Described Conditions as Poor or Very Bad
Less than £5.00	75.1
£5.01 – £10.00	46.3
£10.01 – £15.00	44.7
£15.01 – £20.00	46.8
More than £20.00	44.6

### 3. The Effects of Rent Control

The particularly high proportion in the lowest rent category who were dissatisfied with their living conditions (75%) is certainly linked with the major effects of rent control. The majority of tenants who were paying less than £5 per week in rent would almost certainly have been protected by the Rent Restrictions Acts. This point is further borne out in Fig. 4.8 which compares conditions as seen in the controlled and uncontrolled sectors by the **Threshold** cases, using two indicators — the tenants' assessments of prevailing conditions and whether or not the dwelling had an inside toilet or bathroom.

The results clearly show that tenants in rent-controlled lettings suffered most in both respects — 74% of them described their living conditions as being "very bad" and 26% had no inside WC or bathroom. This underlines the need for special measures to protect people still living in such dwellings, particularly if they are asked to pay "market rents" for their dwellings.

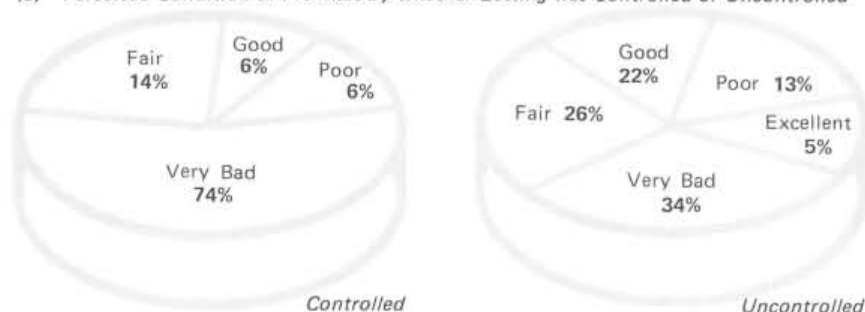
### 4. Sharing and Overcrowding

The sharing and overcrowding of dwelling space was not reported as a significant problem by the private rented tenants who approached **Threshold** with housing problems\*. As these problems tend to affect family units more than single people, it is not surprising that, in general, they were not seen as difficulties in the private rented sector.

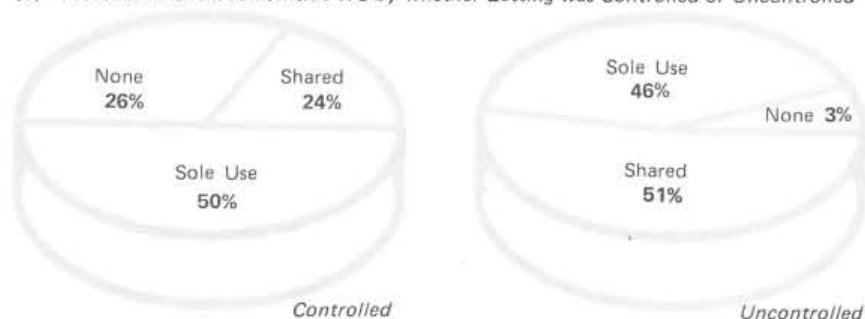
\*Of course, if one were to apply "objective" standards, based on a measure of the number of persons per room, then obviously it could be said that over-crowding does constitute a significant problem in the private rented sector. However, this analysis is based on the tenants' assessments of their conditions, not on "objective" measures.

Fig. 4.8 Perceived Conditions in Controlled and Uncontrolled Lettings.

(a) Perceived Condition of Premises by whether Letting was Controlled or Uncontrolled



(b) Presence of Bathroom/Inside WC by whether Letting was Controlled or Uncontrolled



## 5. Absence of and Sharing of Facilities

As we have already shown, the absence of facilities was less common than the sharing of facilities in uncontrolled accommodation. Dublin Corporation (and some other local authorities) restrict in their bye-laws the number of households sharing basic facilities. The problem, even where bye-laws exist, lies in the enforcement of these standards. The majority of affected tenants were reluctant to report the breaches in bye-laws and, for most, the problem of shared facilities was not their main concern in contacting **Threshold**.

Although the majority of tenants who contacted us and who shared the use of bathroom facilities in private rented accommodation were happy with that arrangement, a number of particularly disturbing cases did exist. It was by no means unusual, for example, for a single bathroom to be shared amongst more than ten flats or bedsitters and, probably as a result of this, for it to be constantly out of order.

## 6. Landlord/Tenant Relations

As we have already stated, the difference between a tenant being able to stay in his dwelling and being asked to leave may be determined by no more than how well he "gets on" with his landlord. Landlord/tenant relations in

Ireland, therefore, are not only an indication of how cordially the two parties interact, they also have a direct bearing on the security afforded to the tenant.

Almost half of the tenants who came to **Threshold** answered a question on how they saw their relationship with their landlord. Although this is again a very subjective measurement, the results, as shown on Table A 10, do not present a very glowing picture. This may not be all that surprising given the large numbers of tenants who were facing eviction, but the number of respondents who described their relationship as anything more than "fair" was extremely low.

Our data indicates that relations are more likely to become strained when the landlord is resident. Among those who stated that their relationship was bad, 22% had resident landlords. This compares with the overall survey average of only 12%. This point is further borne out by the fact that in cases of harassment, the proportion of landlords accused of this practice and who were in residence was also 22%; in cases of trespass reported, the proportion for resident landlords was even higher at 26%; and in cases where the tenant was evicted because he was an "unsuitable tenant", the proportion was 24% for this category of landlord. Where relations were described as bad, most tenants complained that their landlords took an over-active interest in the condition of the premises and the "rules of the house". Disputes developed over anything from putting posters on walls to having guests stay overnight. Very often conditions relating to these disputes had not been made at the time of letting and landlords were not aware of the fact that they were not legally entitled to enter the premises to "check things out" or to lay down new conditions after the initial agreement had been made. The degree of contact between resident landlords and their tenants is higher and, therefore, the potential for such disputes is all the greater.

Tenants in rent-controlled dwellings had, in general, a worse relationship with their landlords than those in the uncontrolled sector. This was often expressed in a more subtle form of harassment on the part of the landlord, usually in an attempt to get the tenant to leave. This practice reached a peak immediately following the High Court decision on sections of the Rent Restrictions Acts in the summer of 1980.

An interesting point to note is the fact that tenants who had leases tended to fare better, in general terms, in their relationship with their landlords. The proportion of these tenants who described their relations with the landlord as "bad" was less than 40% compared with the 56% of all tenants who reported a bad relationship.

In cases where the relationship between landlord and tenant had broken down, **Threshold** frequently made contact with the landlord, with the consent of the tenant, informing him of the tenant's right to peaceable possession of the premises. This course of action met with a reasonable rate of success in helping to improve the relationship. In other more serious instances, landlords had interfered with the property or the person of the tenant. Such landlords frequently employed a variety of illegal and unscrupulous means, ranging from the disconnection of essential power supplies to the employment of "heavies" to physically remove the tenant. Where these cases were reported early enough, the relief of the Courts was sought to secure damages against the landlord and

an injunction, if required, to enable the tenant to re-enter the premises. Even in these cases, however, no permanent security could be guaranteed to the tenant, even in the short-term. Even after an injunction has been granted, the landlord is again free to pursue eviction proceedings, but this time following the legal course.

It is in this area of landlord/tenant relations more than any other that we must be wary of drawing absolute conclusions on the basis of the information at our disposal. In the first place, our information is biased in favour of the subjective accounts of tenants, for the obvious reason that a great many more tenants than landlords contacted us. Secondly, as we have already pointed out, the survey we have taken is more representative of tenants with problems than of tenants in general. Having said this, the fact that more than half of the people for whom we have information were unhappy in their relationship with their landlord and this together with the extent of harassment, illegal eviction and intimidation, points to an overall situation which is less than healthy.

### Links with other Housing Sectors

On the face of it, it may appear anomalous to include in a discussion of the symptoms of insecurity in the private rented sector, an examination of the links between this sector and the two other main tenure groups. This examination is carried out as a direct result of the experience of **Threshold** on a day-to-day basis in its search to find solutions to individual housing problems. In confronting the problems of insecurity in the private rented sector these links were of vital importance in many cases and, as such, their analysis must inform our discussion of both the causes and consequences of insecurity.

The insecurity which exists in the private rented sector may be dismissed by some as a temporary hardship which has only to be borne by a small section of our society which is young and mobile. Young single people and newly-married couples, it is contended, can endure less than satisfactory conditions in the private rented sector "for a couple of years" until they either get married, save enough money for a deposit on a house, or amass enough points to qualify for local authority accommodation. This view cannot be justified at all, and particularly so, when the transition from private rented to one of the other two major housing sectors cannot be accomplished without major difficulties. From the experience of **Threshold**, this transition is by no means easy, so much so, that the private rented sector appears to act as a "trap" for a great many people rather than as an interim means of accommodation. For many people in fact, it is not a precarious "stepping stone" which eventually leads to better permanent accommodation; these people are trapped on the "stepping stone" without ever reaching, or even hoping to reach, firmer ground\*.

In helping people to examine all the options open to them in resolving their housing problems, **Threshold** very soon became aware that the housing

\*Again a biased sample might exaggerate the extent, though not the nature of the problem. This is an area where reliable data is badly lacking and where **Threshold** hopes to do some more research in the future.

needs of many people could never be met within the private rented sector itself, especially with the ever-present threat of eviction and frequent demands for large rent increases. The vast majority of these cases were young family households and it became a matter of form to help these cases assess their chances of being housed by their local authority or the possibility of them buying a house of their own.

290 such families who came to us were on the housing lists of either Dublin Corporation or Dublin County Council and were living in the private rented sector while hoping to be eventually housed by the local authority. The typical family had been on the list for about two years before coming to **Threshold** and usually had amassed around 30 points. Bearing in mind the conditions in which most of these families were living, the length of time on the list must be considered excessive, particularly for those households with young children. The average number of points was fairly low, given that during the two year period of the survey, the number of points needed to be offered housing, even in a low priority area in Dublin, was in the region of 60-70.

Those Dublin families who moved from private rented accommodation to the public sector in the "normal" way tended to be those who were living in the very worst physical conditions, and were usually overcrowded. Even these families, however, were generally rehoused in the "unpopular" local authority areas, notably Ballymun. In cases where families were served with a Court Order following eviction proceedings, they were accorded priority standing (as homeless) by the Corporation and were rehoused. These families were also relocated in low priority areas and very rarely succeeded in being housed in one of the areas of their choice.

For those families who moved from the private rented into the owner-occupied sector, there was a slightly higher level of success in achieving their preferences, but the transition was no less of a struggle in most cases. Undoubtedly, the main obstacle was the difficulty in accumulating enough money to form a deposit because of the high rents being paid in flats and bedsitters. One interesting trend which emerged in our experience began with a couple being evicted from their private flat, being housed by the Corporation in a low-priority area at a much lower rent and then being able to purchase their own home after a period of one or two years.

In 53 eviction cases, 20 cases of rent increases and, surprisingly perhaps, 29 homeless cases, the families involved embarked on the process of house purchase with **Threshold's** help. 160 more people came to **Threshold** with the singular intention of obtaining information on house-ownership. It is difficult to say exactly how many of these succeeded in becoming owner-occupiers, since many were in contact with **Threshold** only during the first few steps and then carried on alone. We do know that at least 74 couples eventually bought their own houses and, at the end of the study period, another 12 cases were ongoing and almost certain to end with the purchase of a dwelling.

In the majority of cases where individuals or families set out to buy their own houses, the loan source used was the local authority SDA loan scheme. As would be expected, therefore, the average price paid for housing by those

who did succeed in buying was relatively low — almost 75% being less than £15,000 during 1979 and 1980\*. There is every reason to believe, however, that the difficulties involved in this transition were not over with the purchase of the house. In most cases, the assessment of ability to meet mortgage repayments was made with very little to spare and it is probable that many, at least in the initial years of repayments, could not afford to be sick, lose their jobs or possibly even have children.

While the basic insecurity of private rented living can be escaped by a move into one of the other housing sectors, the experience of **Threshold** has been that this move can create great hardship for families and amount to no more than a pipe-dream for single people on low incomes. Just as the solution to individual problems in the private rented sector frequently lies outside that tenure sector, so also coming to grips with the problem of insecurity in the sector as a whole must involve an examination of the inter-relatedness of all housing sectors. The implications of this for the future planning and development of private rented accommodation are discussed in Chapters 6 and 7.

### Conclusions

In this chapter we have attempted to outline the nature and extent of insecurity in the private rented sector using the first-hand data of **Threshold**. We have shown that insecurity is apparent in the conditions of entry into the sector, in the nature and frequency of evictions and demands for rent increases and also in the physical conditions prevailing within the sector. We have also shown that insecurity is accentuated for many by the existence of various barriers which makes moving into another housing sector difficult for many and impossible for some. In the following chapter we will look at how insecurity manifests itself amongst certain sections of the survey population and also at its spatial expressions.

### Notes and References

1. Department of the Environment, **Current Trends and Policies in Housing, Building and Planning** (Dublin, 1979), p. 3.
2. Department of the Environment, **Quarterly Bulletin of Housing Statistics** (Dept. of the Environment, Dublin) Quarter ended 30 September, 1981, Table 24.
3. Ibid, Table 19 for the period between the First Quarter of 1978 and the First Quarter of 1980.

\*For comparative purposes, the following figures, taken from the **Quarterly Bulletin of Housing Statistics**, show the average gross prices of second-hand houses in the Dublin area for which loans were approved by the four main lending agencies in 1979 and 1980:

	Building Societies	Assurance Companies	Local Authorities	Associated Banks
1979	£23,980	£26,779	£13,442	£42,957
1980	£27,201	£26,618	£18,523	£45,873

## The Victims of Insecurity

The problems of insecurity in private rented accommodation, which are described and analysed in Chapters 3 and 4, are not equally shared by all tenants. In fact, as already indicated in Chapter 3, the distribution of such problems is dependent upon a number of social and economic characteristics of tenants. While some of the characteristics referred to already cannot be really considered as significant, given the overall make-up of households in the sector, others are, and so and we have selected three which, on the basis of our experience and knowledge, we consider to be the more important; namely, income and socio-economic status, marital status and geographical location.

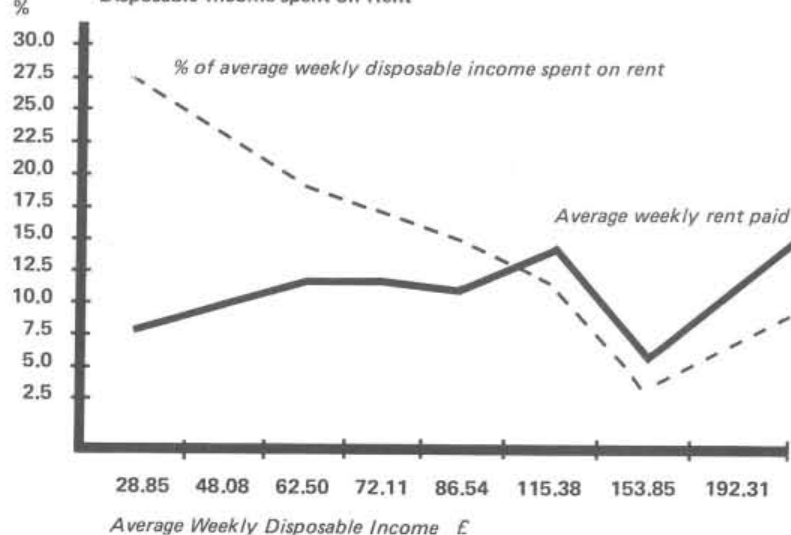
### Income and Socio-Economic Status

In the uncontrolled rented sector, where ability to pay market rents in the face of strong competition from a wide variety of income groups is the prime condition attached to securing and holding decent accommodation, it is not surprising that economically disadvantaged groups should, for the most part, secure the inferior accommodation, pay a higher proportion of their incomes on rent and endure the most real fears of eventual eviction. (The fact that such groups endure similar difficulties in the controlled sector is related to a different set of factors, as already explained).

#### 1 Rents

Fig. 5.1 shows that although rents being paid by our survey group were directly related to income, those in the lowest income groups spent the highest proportion of their weekly disposable income on rent. For example, the lowest income group shown on Fig. 5.1 (those people with less than £30 weekly disposable income) spent over 25% of their weekly disposable income on rent. While to some extent this is inevitable in a market system, it is, in our view, unacceptably severe, and strongly reinforces arguments we shall make in Chapter 8 regarding the need for some reform in this sector.

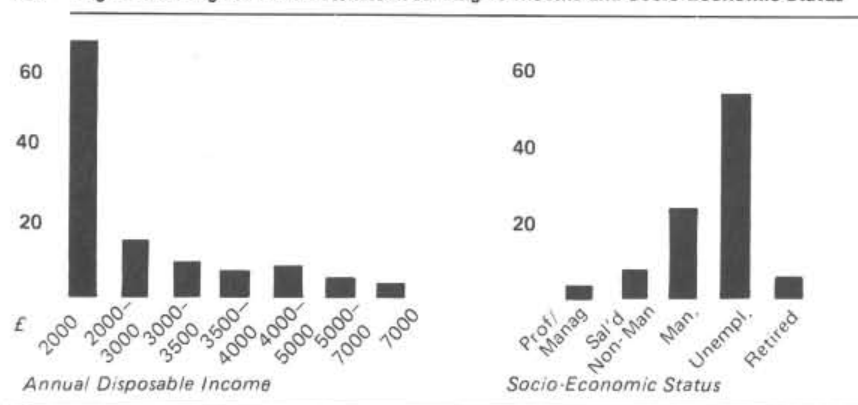
Fig. 5.1 Average Weekly Rent Paid by Tenants and Percentage of Average Weekly Disposable Income spent on Rent



## 2 Outright Homelessness

The most extreme form of insecurity, namely outright homelessness, was also found to be closely related to both the income level and socio-economic status of those affected. Figs. 5.2 and 5.3 show that of those who came to **Threshold** with absolutely nowhere to live, low income groups and the unemployed, in particular, were highly represented. While the ultimate degradation of outright homelessness can befall a wide variety of individuals and families, it is a much more likely eventuality for those who become unemployed and for those who rely on unskilled manual jobs for their income source.

Fig 5.2 and Fig 5.3 Homelessness according to Income and Socio-Economic Status



## 3 Other Problems

As is to be expected, the other severe aspects of insecurity in the private rented sector, such as eviction, demands for rent increases and poor living conditions also bear most heavily on the lower-income groups. These are the people who have least ability to compete for the better properties which come on the market and so they must make do with what is left after higher-income groups have obtained the more desirable premises. Not surprisingly then, they end up in the least desirable premises where problems of over-crowding, sharing and lack of facilities are most acute. In addition, given the low incomes of such groups, they are less able to meet demands for rent increases and so they are more prone to eviction for this reason as well as for the other reasons discussed in Chapter 4.

Most of **Threshold's** work, as Chapter 3 has shown, has involved the problems of the more economically vulnerable tenants in the private rented market. In a free market situation, it is these tenants who endure the least secure living conditions. While other determinants can also have an effect on the degree of security afforded, they are all subordinate to the tenant's ability to pay for accommodation. Poorer tenants are the most vulnerable regardless of other characteristics.

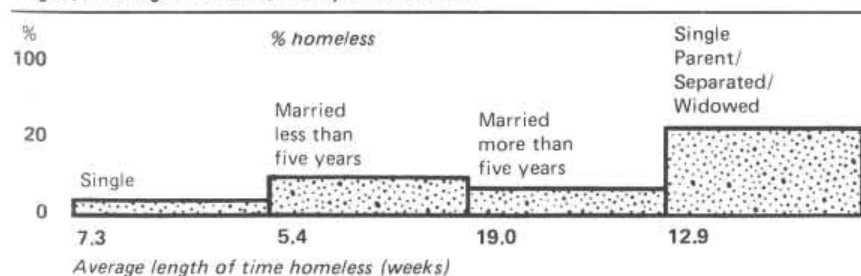
## Marital Status

The majority of the survey group considered in this report are young and single individuals. However, quite a significant number of non-single household types are also represented here, consisting of married couples, single parents and individuals who are either separated or widowed. In all, 709 such household types were found to be depending on the private rented sector for their accommodation needs. This figure represents 28.3% of the total number of private tenants who sought the help of **Threshold**.

## 1 Outright Homelessness

While single people made up the greater part of our survey group, those who belonged to a family situation (or had done so) were the victims of the worst forms of insecurity. Fig. 5.4 shows that almost one in ten young married couples who sought assistance were suffering from outright homelessness. Even more disturbing is the fact that one in five of those who were single parents, separated or widowed, were also homeless on arrival at **Threshold**.

Fig. 5.4 Outright Homelessness by Marital Status

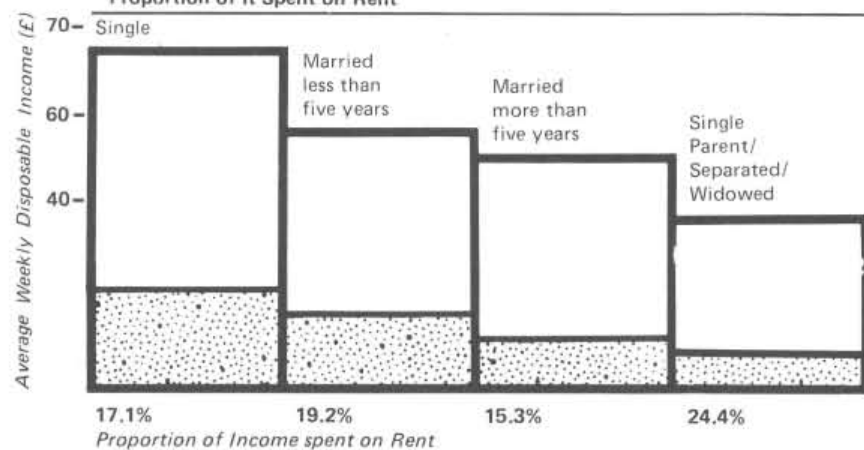


The small number of single homeless individuals who contacted us tended to be the more chronic sufferers. The average length of time these people were without a dwelling before coming to **Threshold** was 19 weeks. But the average of 13 weeks for single parents and separated people is perhaps even more alarming.

## 2 Rents

The insecure position of particular groups is further highlighted when we examine the level of rents paid by the various marital groups. Fig. 5.5 shows that the highest average weekly rent was being paid by those couples who were less than 5 years married. This group also had the highest average weekly disposable income. (Very often both spouses were working)\*. The heaviest burden is again seen to fall on those who were already suffering some form of social stigma or economic deprivation. These were the single parents, the separated and the widows. With an average weekly disposable income of only £37.77, we found that these people (mostly women), were forced to spend an average of almost 25% of their income on rent.

Fig. 5.5 Average Weekly Disposable Income for Various Marital Groupings and Proportion of it Spent on Rent



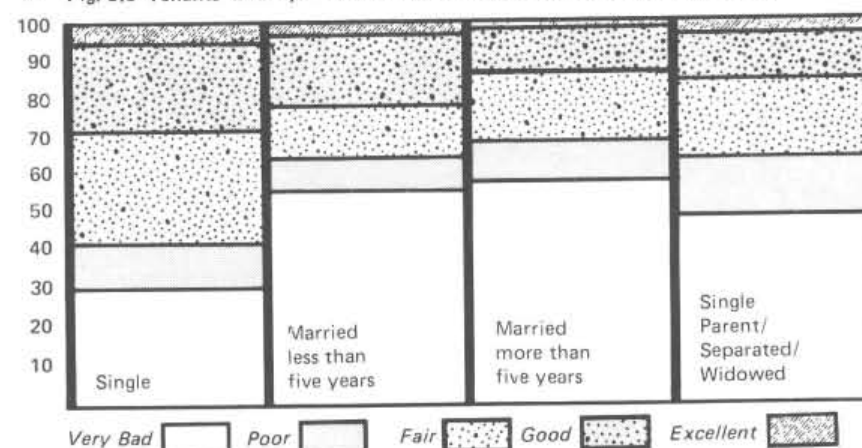
## 3 Living Conditions as Perceived by Respondents

Again, allowing for the subjective nature of the respondents' assessments of their living conditions, significant differences appeared between the various marital groups. As Fig. 5.6 shows, 55% of young married couples described the conditions of their premises as 'very bad', compared with the 30% of single people who used the same term. Those who reported the worst conditions were

\*The relatively low proportion of income spent on rent by those couples married more than five years was probably due, to some extent, to the number of more elderly couples paying controlled rents.

couples who had been married for five years or more. 56% of these said their living conditions were "very bad" and a further 13% described them as being "poor". 33% of these families were living in accommodation which was protected by the Rent Restrictions Acts and it is likely that rent control itself had an adverse effect on the condition of the property as well as manifesting itself in the relatively low rents being paid. This is further borne out by the fact that almost one in every ten of these families had no bathroom or inside toilet.

Fig. 5.6 Tenants' Description of their Dwellings According to Marital Status



## 4 Evictions and Demands for Rent Increases

In the light of what has already been written above concerning high rents and outright homelessness, it is not surprising that those who reported incidences of actual eviction and inability to meet requests for higher rents were disproportionately represented in the single parent, widowed and separated categories. These groups were also highly prominent in the reported cases of threatened eviction and its associated problems.

## 5 Conclusions

In general, then, the main indicators of insecurity — high rents, incidences of homelessness and bad conditions — were more pronounced amongst family groups than amongst single people. In particular, young married couples, single parents and those whose marriages had broken down suffered the most severe forms of insecurity in the private rented sector. While this portrays the single person as being in a relatively privileged position compared to his married counterpart, it must be remembered that for the single person the chance of breaking free from the insecurity in the short-term may be considerably less. Unlike the married couple or single parent, the single person cannot expect to be housed by the local authority unless he/she is elderly or disabled. If he/she wants to remain single, the only realistic opportunity of breaking away from the insecurity of the private rented sector is through the acquisition of a building

society loan. For those with secure employment and a sufficiently large income, this proves to be a common course of action. For those who cannot meet these criteria, private rented accommodation, which may have appeared initially as a temporary measure, becomes a permanent reality.

Fig. 5.7 Distribution of Uncontrolled Private Rented Dwellings in Dublin

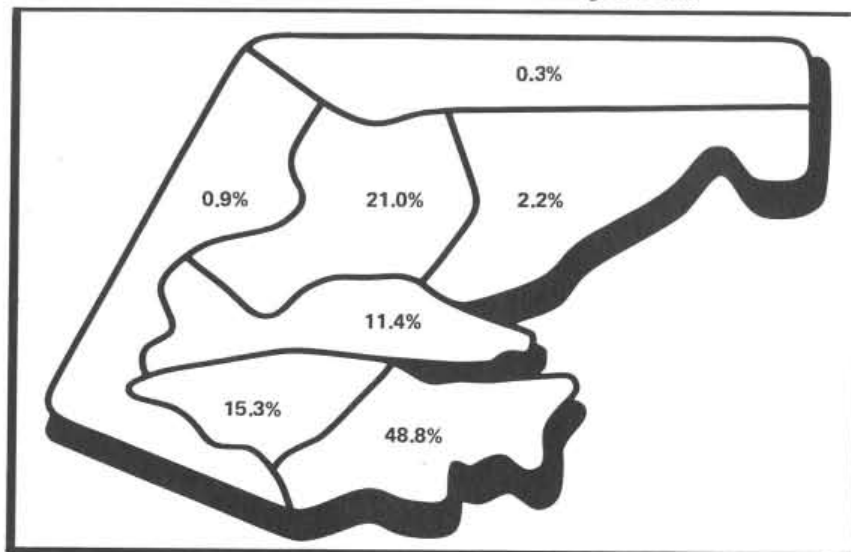
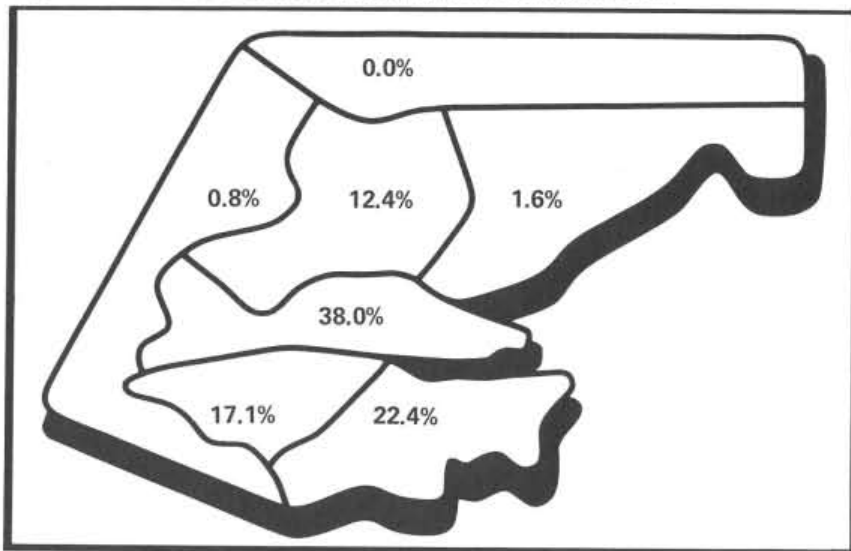


Fig. 5.8 Distribution of Controlled Private Rented Dwellings in Dublin



Source : Threshold Survey Data.

## Geographical Location

Our data further shows up variations between different areas in Dublin in terms of rent levels, living conditions and general characteristics of the tenant population. Figs. 5.7 and 5.8 show the distribution of privately rented holdings in the survey, both controlled and uncontrolled. Fig. 5.7 shows a concentration of uncontrolled lettings in the southern inner suburbs, which includes the Rathmines and Ranelagh areas. The other significant Zones where uncontrolled lettings are numerous are Zones D and F, incorporating areas like Phibsborough and the North Circular Road area in the north and the Crumlin area in the south. This particular sub-area corresponds closely to what a recent NESC Report referred to as "Older Furnished Flatland".<sup>1</sup>

Fig 5.8 shows that the dwellings in the **Threshold** survey which were protected by the Rent Restrictions Acts were more concentrated in the inner areas of the City, with the highest incidence being in the north inner-city, which includes Mountjoy Square and parts of Drumcondra.

## 1 Rents

The average rent in this survey as a whole, as is shown in Fig. 5.9, was lowest in Zone E, where the number of rent-controlled tenancies was highest. (These calculations for average rents are made on the basis of the weekly rent paid by *each* tenant, so that they allow for the large number of single people who are sharing flats or houses).

The relatively high average figures for both Zones B and C is due mainly to the emerging trend of families (mostly young married couples) renting houses in the newly developed estates from private owners. This was particularly apparent

Fig. 5.9 Distribution of Average Rent Paid by Private Tenants in Dublin



Source: Threshold Survey Data.

in the Blanchardstown/Clonsilla and Tallaght areas. Families in these areas were paying as much as £50 per week for their accommodation. For the predominantly "flat dwelling" areas (those where uncontrolled private rented made up the vast majority of cases), there is a notable variation in average rents between Zone G and Zones D and F. Average weekly rents in Zone G (the Zone with the highest concentration of flats and bedsitters) were more than £1 higher than in the other two.

## 2 Living Conditions as Perceived by Respondents

Zone E, which had the highest proportion of rent-controlled properties and the lowest average rents, also appeared to have the worst living conditions. As Figs. 5.10 and 5.11 show, almost one in ten of tenants from this area who approached **Threshold** had no bathroom or inside toilet. The tenants' own assessments of their living conditions showed them to be worse than those for tenants in any other area of the city. More than 61% of them described their living conditions as being 'poor' or 'very bad'.

## 3 General Tenant Characteristics

With regard to the characteristics of tenants by area, the greatest number of elderly people who came to **Threshold** lived in central city areas — both north and south of the Liffey. The majority of elderly tenants in the survey also lived in controlled tenancies, a tenure group we have shown to be concentrated in central areas. The number of people in the survey from Zones A, B and C, on the other hand, who were over 60 years old was minimal. The low proportion of respondents in Zone G who were over sixty years old, however, is due to the predominance of the young population of 'flatdwellers proper' in that area.

This is borne out to some extent in that 72.2% of respondents who lived in that Zone were single. Again, the smallest 'singles' populations were recorded in Zones A, B and C, the areas where suburban Corporation estates are numerous. The relatively high number of single people living in the central Zones E and F is related to the fairly sizable number of uncontrolled lettings recorded in these areas.

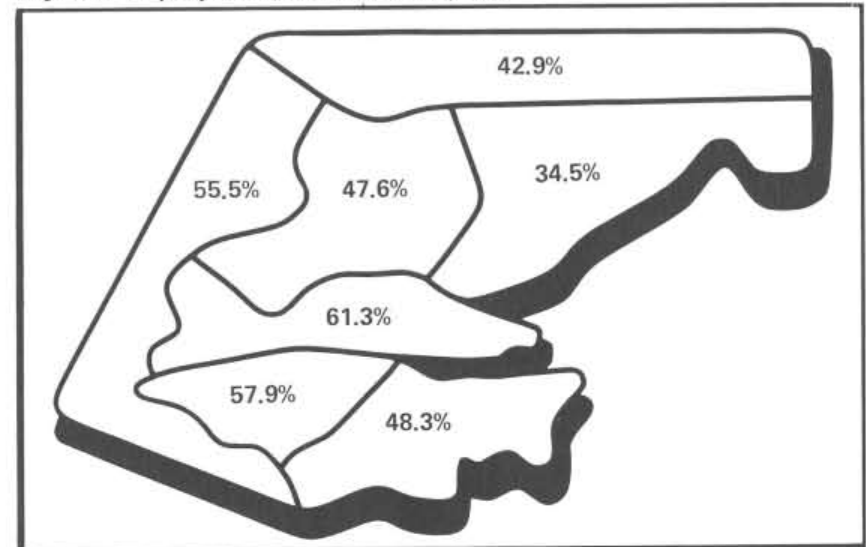
## 4 Evictions and Requests for Rent Increases

As is to be expected, problems relating to evictions and rent increases were concentrated almost exclusively amongst areas of uncontrolled tenants. However, this pattern did change after the High Court decision on parts of the Rent Restrictions Acts in April of 1980. We have already reported in a previous publication on the fact that many rent-controlled tenants approached us after that date reporting that landlords had (illegally) requested enormous increases in rent and threatened evictions in some instances.<sup>2</sup>

## 5 Summary

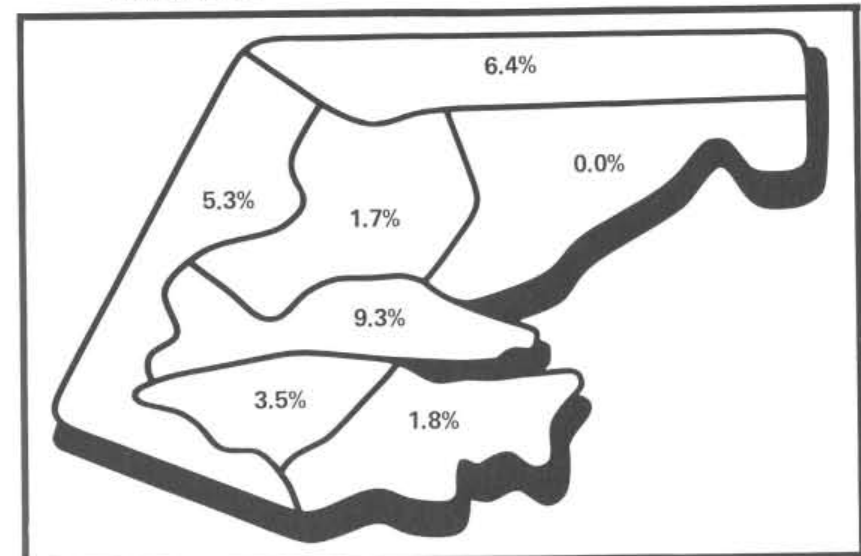
Tenants who came to **Threshold** can be located in three very broad areas of the City. Fig. 5.12 below outlines these areas. The area coloured grey has a high proportion of local authority tenants. In general, they live in the new

Fig. 5.10 Property Described as Poor or Very Bad



Source: Threshold Survey Data.

Fig. 5.11 Distribution of Private Rented Dwellings without Bathroom or Inside Toilet in Dublin

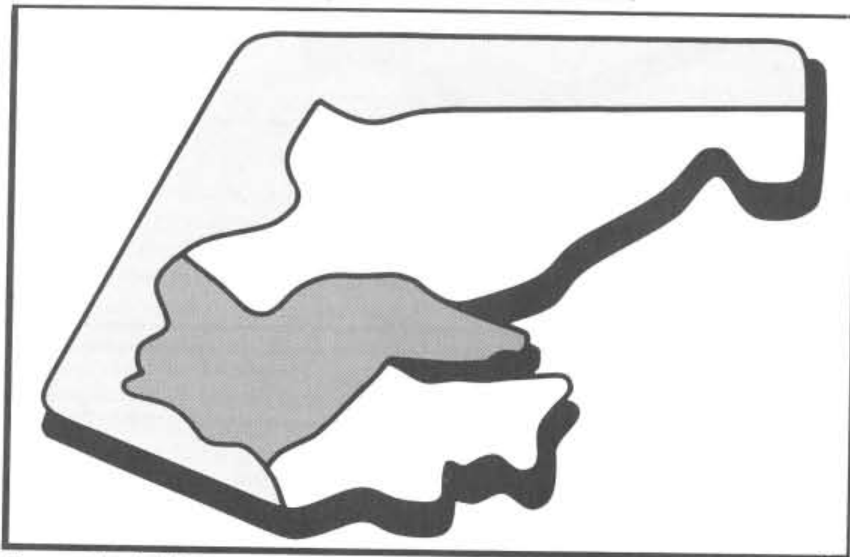


Source: Threshold Survey Data.

estates which have been built on the periphery of the City. These include estates in Ballymun, Tallaght and Coolock. People who came from these areas were usually young married couples and invariably they came because they wanted to leave and sought advice on the Corporation's transfer system.

The dark grey area covers the issues raised by tenants who came to **Threshold** from the central City area. The majority of these were tenants of private rented uncontrolled dwellings. A mixture of tenancies exist here, however, as is shown by the relatively large proportion of local authority tenants and also by the fact that the majority of rent-controlled tenants live here. In general, the area is characterised mainly by its poor conditions, its higher than average proportion of elderly tenants, lower than average rents, and its high level of unemployment.

Fig. 5.12 Summary of Dublin City Areas from Indicators Available



Source: Threshold Survey Data.

The third area (in white) represents the parts of Dublin of most relevance to us in studying the private rented sector. It is made up of two blocks, both located in the inner suburbs of the City, one to the north of the River and the other to the south. These areas are characterised by their young single population, many of them in non-manual, salaried employment, as well as by high rents and a high demand for what rented accommodation exists. These 'flatland' conditions apply more to the area south of the River where the majority of uncontrolled tenants in the survey live. The area to the north had a higher proportion of local authority tenants, the majority of whom lived in the Finglas area.

## Outside Dublin

The relatively small amount of information we have on problems which originated outside Dublin prevents us from undertaking a comparative analysis on a national basis. However, the information we were able to obtain does little to suggest that any of the factors making for insecurity were any less significant elsewhere in the country. Some of these problems, in fact, seemed to be much worse in these other areas for which we have data. **Threshold** learned of a particularly acute housing problem in Bray, County Wicklow, for example, mostly in relation to the insecure conditions suffered by young married couples in privately rented flats. Certainly, with regard to physical standards, it would appear that those relying on the private rented sector in Dublin, although having to endure poor conditions, are perhaps enjoying more satisfactory conditions than those applying in many provincial centres. In very few of the centres outside Dublin, in our experience, did local authority bye-laws exist which could ensure that even 'minimum standards' were set for the private rented sector in those areas.

Another indication of the extent of insecurity outside Dublin is the high number of cases of outright homelessness which originated outside the City. 88 out of the total of 173 homeless families or individuals were not natives of Dublin and they had never lived in Dublin for a period of more than two years. More than half of these had come to the City from other Irish towns and cities and 39 families had returned to Ireland from various centres in the United Kingdom.

## Conclusions

On the basis of our own data, this chapter has attempted to illustrate the effects of insecurity on certain sectors of the flat-dwelling population. We have also looked at how these effects are apparent in geographical terms. In the previous chapter we illustrated the fact that various forms of insecurity affect a wide range of people who must depend for their accommodation upon the private rented sector. Here we have shown that the most severe consequences of insecurity are the lot of those people who are already disadvantaged in some other way. For those who depend on low incomes or suffer unemployment, the chances of avoiding bad conditions, overcrowding and eventual homelessness, are markedly less than for better-off groups.

For families who cannot buy their way out of these conditions, the choice is usually between accepting local authority accommodation in areas which are rejected by everyone else (if they are fortunate enough even to be offered this) or looking forward to an indefinite future of uncertainty and insecurity. For the single person who cannot meet the costs of house-ownership even this choice does not exist.

## Notes and References

1. N.E.S.C. (1981A), *op. cit.*, Chapter Two.
2. **Threshold** (1980), *op. cit.*

## Conclusions

In the foregoing chapters we have described the nature and examined the distribution of a range of symptoms of a severe malaise which exists in private rented accommodation. During the course of this report, this malaise is referred to as "insecurity". It is **Threshold's** belief, based on over four years of experience in dealing with such problems, that the cases upon which this report is based merely represent the tip of a much more extensive problem of insecurity. Since July 1980, a further 2,000 cases have contacted **Threshold** at a daily rate which has not abated, but which shows all the signs of intensifying as **Threshold** extends its resources. Neither has the type of problem being reported altered over the four years. Indeed, the fact that the very same problems keep on being reported day after day, month after month, year after year, must surely now give grounds for concern among the public in general and our legislators in particular. For too long a blind-eye has been turned on the operation of the private rented market, with very few voices being raised in opposition to the unsatisfactory situation which pertains therein. In fact, the situation in Ireland has been marked by the almost total absence of debate at any level as to why the situation should be as it is and as to what solutions, if any, might alleviate it.

Both society in general and our legislators in particular appear to have been content to ignore the sector and prefer to remain in the dark as to the reason for its malfunctioning and as to possible solutions and alternative forms of tenure. It is **Threshold's** hope that this report should go some way towards changing traditional attitudes by raising the general level of consciousness regarding the situation which now exists. For this reason, we feel that it is important to attempt to explain how the present situation has come into being and what, if anything, can or should be done to remedy it. In this present chapter we shall endeavour to deal with the former issue, while the succeeding two chapters shall address themselves to the latter.

### Causes of the Problems

The immediate causes of the problems reviewed in this report issue from

the extreme difficulty of reconciling in a free market situation — and a market situation which is currently weighted even more heavily in favour of the supply side — the conflicting interests of private landlords who as a group, hold generally unified economic goals; and a tenant population which is diverse, poorly organised, generally mobile and (on average) economically weak. This immediate cause, of course, is no more than a reflection of a far more fundamental cause, namely the type of housing policies, or lack of such policies, which impinge directly on private renting, and those broader housing policies which indirectly affect the operation of the private rented sector. The overall effect of this has been to relegate the private rented sector to fulfilling a residual housing role by attracting the stronger households to other sectors and leaving the weaker (in general) to compete for the available rented properties unaided by any public subsidies. In the following pages, the various issues raised here will be analysed in some more detail.

### 1 A Free Market in Housing

Given the operation of a normal unimpeded market in housing, "the quantity of such housing consumed by a household (and by implication the quality of housing consumption) is largely a matter of its level of income. The distribution of housing expenditure and consumption, therefore, largely depends on the size and distribution of household income"<sup>1</sup>. Housing is an expensive commodity in modern industrial society and this, combined with the fact that income is very unevenly distributed in such societies, means that very many people are unable, without assistance, to afford the full economic price of reasonable accommodation. "The consequences of this inequality, and the inability of the poor to exercise effective housing demand is that the private market, left to itself, would produce a very unequal distribution of housing resources. Housing space would be allocated according to the distribution of income and individual preferences"<sup>2</sup>. Under such conditions, the superior accommodation will be taken by those who pay more for it, either because they enjoy larger incomes or greater wealth, or because they prefer better housing to other forms of consumption.

National evidence concerning the relationship between housing quality and poverty is provided by our Household Budget Survey. Table 6.1, reproduced from the I.P.A. study — **Poverty and Social Policy** — shows that fewer poor households possess certain household facilities, even though the differences between poor and non-poor households are not as large as one might have expected.<sup>3</sup>

Comparisons between poverty and tenure also show that the poor are heavily over-represented in the rented sector, while the better-off are concentrated in the owner-occupied sector. Thus the 1973 Household Budget Survey showed that some 76% of households with professional and managerial heads were owner-occupiers (either outright or mortgaged), compared with only 49% of skilled manual households and 33% of semi-skilled and unskilled manual. The significance of this relationship is brought out by the fact that, as the I.P.A.

**Table 6.1 Proportion of Households Poor and Non-Poor at Poverty Lines A, B and C, Possessing Certain Facilities**

Facility	Poverty Line					
	A		B		C	
	Poor	Non-Poor	Poor	Non-Poor	Poor	Non-Poor
TV	62	81	62	83	65	84
Washing Machine	22	47	25	48	27	50
Fridge	27	57	28	59	31	61
Car	22	33	22	55	23	58

Source: **Poverty & Social Policy** (Compiled by Lorraine Joyce and A. McCashin (I.P.A. Dublin, 1981)), Table 2.6.

Note: For definition of terms see Note No. 4.

Study shows, the risk and incidence of poverty are concentrated amongst households headed by persons with lower levels of education and occupational skills.<sup>5</sup>

In a previous chapter we pointed to the broad associations which exist between income and tenure in Ireland. The reason for this is that we have not attained equality of access to housing whereby households, independent of their income, have a relatively free choice about the housing type and tenure they chose to live in. The barriers which inhibit free access to housing are institutional as well as financial.<sup>6</sup>

In practice, the existence of such barriers means that lower-income groups in general are more likely to have to rent their dwellings, either in the public sector or from a private landlord. The better-off who can afford to purchase a dwelling, but live in rented accommodation, either live in luxury rented dwellings or choose renting to avoid the responsibilities associated with owner-occupation or because of their need for mobility. Because of the workings of the rules governing access to social housing and/or the shortage of its supply, many groups have to depend solely on the private rented sector, either at particular stages in the life cycle for some households, or virtually for life in the case of other households. The pattern of demand for private rented accommodation which ensues from the interaction of these various forces, along with government policies, has already been described in Chapter 2. Their net effect, however, is that private rented has lost much of the higher-income demand to owner-occupation and has lost a good deal of the low-to-moderate-income family demand to the public sector. Landlords are, accordingly, faced with a particular pattern of demand from particular types of households, on the one hand, and some financial and governmental constraints, on the other. How do they respond? And what are the effects of their responses?

Other than when providing accommodation for a small proportion of the better-off who, for a variety of reasons, prefer it to owner-occupation, private renting can be profitable when the opportunities available in the remainder of the market can be exploited. The exploitation of poor private rented tenants by private landlords is a familiar problem to officials in New York, London, Paris, Amsterdam and many other large cities. Neither is the necessity to adopt dubious practices on the part of landlords in order to make a profit a recent phenomenon. As early as 1903, the celebrated housing reformer, Alderman W. Thompson of Richmond, felt constrained to write that "private enterprise, undirected and uncontrolled, had failed to provide adequate housing for the working classes".<sup>7</sup>

Rental housing is a "low order" use of urban land. Whenever conditions change in the housing market, e.g. whenever interest rates or building costs rise, government planning strategy alters or legislated minimum physical standards rise, the profitability and supply of new rental accommodation is significantly affected. The rental supply from the existing housing stock is also inherently unstable. Whenever investors/landlords are faced with declining profitability in the rental sub-market, they can sell their properties for home-ownership or develop their land for higher density residential, or, even better, non-residential use. In all cases, the supply of rental housing falls and rents rise accordingly.

This market pressure has recently become especially strong in the inner suburbs of Dublin, traditionally working class areas offering poor residents a bundle of locational advantages, but now beginning to cater for higher-income residents and white-collar commercial developments.

In addition, it should be pointed out that "filtering" — the process whereby new, expensive housing is constructed, freeing older existing houses for lower-income-use does not work well in the housing market. Older housing often filters up rather than down, particularly when situated in valued locations, or it filters "sideways" as the children of middle-to-high-income parents leave home and, with parental help, purchase their first house. These points show that tenants, and particularly the poorer ones, are at the mercy of wider economic forces, to which private landlords respond in a variety of ways and which effectively determine, as a residual, the amount and quality of housing available to the tenants.

Selling to owner-occupiers or to property developers, however, is not a course of action which is open to all landlords. It may be difficult to gain vacant possession in some cases and not all rented property is located on sites suitable for redevelopment. Furthermore, only certain favoured inner city areas will be attractive to potential owner-occupiers and to the building societies which provide the mortgages.

Another response has been for landlords to concentrate on the segments of the market that offer the highest return. Landlords can also adopt allocation rules that select higher-income, childless, professional households who can pay higher rents and cause fewer management problems. This is less of an option for the small landlord with rundown inner city houses, but even here landlords have switched to letting out to students and young office workers whose com-

bined incomes provide a higher rent than low-income families and whose temporary residence ensures the opportunity for regular rises in rents. Given the existing demand/supply situation, even the smallest scale landlord with the poorest property can afford to exclude low-income households.

One further response of landlords has been to reduce maintenance and improvement expenditure. The reduction in such expenditure allows profitability to be maintained in the face of rents which do not rise as fast as repair costs. It does not, of course, follow that even higher rents would lead to private rented houses being better maintained and improved. Some landlords would, in the manner of conventional entrepreneurs, seek to maximise their profits by the simple process of not carrying out repairs. The direct consequence of these landlords' responses are a decline in the quality of some privately rented accommodation and increased difficulties for those landlords and tenants who are effectively trapped in the private rented sector.

These then are the major responses on the supply side in response to the nature and level of demand for private rented accommodation and in the context of various housing policies which we shall turn to presently. They represent the effects which arise from the ability of landlords to pursue their economic objectives virtually unhindered by any public restraints, or supports, which would seek to mingle some social objectives with the all-consuming economic objectives. The net result is insecurity for tenants, lack of commitment on the part of landlords and instability in the supply of accommodation. There is an overall feeling in the sector of uncertainty, which affects both landlords and tenants, and ultimately, the policy makers. On the basis of this uncertainty, they cannot plan for the most effective use of private rented accommodation in meeting overall housing needs.

## 2 The Role of Public Policy

**Threshold** sees housing as an important part of our social services and we would emphasise the importance of the public role in limiting and controlling the effects of the free market situation which we have described in the foregoing pages. We believe that housing of a decent standard is a basic social right, and that governments should, therefore, accept a greater responsibility for providing it for those in need. Housing is of fundamental importance to all other areas of community and individual well-being and the free market is unable to ensure that this fundamental need is provided for all.

**Threshold**, accordingly, calls for a greater level of public involvement in the operation of the private rented sector, and the ways in which this can be achieved along with the objectives to be attained, are described in greater detail in the two following chapters. For the moment, however, let us continue the present analysis by looking at how the intervention of public authorities in the past (or lack of public intervention) has contributed to the problem of insecurity with which this report deals.

Public policy, reflected in the presence or absence of specific laws, is responsible for the continuation of the major tenure sectors in our housing system, as well as for fashioning the principal institutions operating in the

various sectors. The emergence in Ireland of a relatively large owner-occupied sector and a substantial local authority sector are, to varying degrees, the results of public intervention in the housing market for well over a century now. *"The easy access to owner-occupation for those possessing the means, the existence of an effective and secure network of institutions providing long-term finance for house purchase, and the characteristics of full security of tenure for owner-occupiers are all the result of suitable legislation on property rights and the control of financial institutions. Likewise, the presence of a substantial local authority sector of dwellings for rent, the principle of allocation by need rather than income and the growing application of pricing in relation to income are the fruit of public policy embodied in both enabling and positive legislation and in administrative decisions by the local authorities themselves".*<sup>8</sup>

This concentration by successive governments on providing new local authority dwellings and materially and otherwise encouraging those who could afford it to buy their own dwellings can, to a certain extent, be understood in terms of the desire on the part of the authorities to prevent the growth and expansion of slums (with all their undesirable consequences in terms of public health, etc.) by sweeping away all unfit dwellings — a large proportion of these being privately rented — and replacing them with new publicly-owned or owner-occupied dwellings. It is doubtful if this desire was in any way motivated by ideological considerations<sup>9</sup>, nor is there any evidence to suggest that the continuing neglect of the private rented sector can be attributed to such considerations. Rather, the policy objectives and means of obtaining them reflected the belief that housing problems could be seen in terms of an arithmetical number of units to be provided to meet existing or future needs and that this "number" could be provided for by the local authority and owner-occupied sectors. The traditional bias in favour of ownership reflected in the efforts made to encourage people to buy their own houses and in the schemes devised to enable local authority tenants to purchase their dwellings reflects the Irish historical tradition of a strong faith in the virtues of ownership rather than an ideological motivation on the part of politicians.\*

In other European countries, no such emphasis was placed in the past on encouraging ownership, but rather a generally more widespread range of options was developed in attempting to come to grips with housing problems. For this reason, most other West European countries have a more extensive tenure system and their private rented sectors are usually better developed than ours.\*\* Our housing system owes an enormous amount to its reliance on a well

\*The argument that people will do their own maintenance if they are owner-occupiers should not be overlooked here either, and reference should also be made back to the point made on page 29 that the stimulation of owner-occupation has seemingly now become an important objective in its own right.

\*\*To a great extent, this can be attributed to the enormous housing shortages faced by many of these countries in the aftermath of the War and the consequent need to mobilise all available resources in order to solve these shortages. In more recent times, as the most pressing housing problems have been solved and living standards have increased, many of these countries have adopted policies which aim to encourage the rapid expansion of owner-occupation.

established network of effective lending institutions, specialising in serving private homeowners and an equally well established network of local authorities. Elsewhere in Western Europe (excluding the UK), a greater variety of institutions have been involved in building houses with the aid of more varied and widely distributed forms of subsidy, "while the private landlord has generally been regulated and subsidised; restrictions on his rent have been repeatedly modified and relaxed and concentrated most heavily upon selected areas of shortage. In this way he has been employed, unwillingly maybe, as an instrument of housing policy; and in return has often been prepared to sustain or extend the contribution he makes to the housing market".<sup>10</sup>

Thus, while many Western European governments have for long realised the significance of a properly functioning private rented sector in playing a part in overall housing policy and have tended to adopt reasonably flexible policies in pursuing such objectives, no such realisation is apparent in the legislative framework governing the Irish housing system.

Of course it could be argued here, that given various resource constraints, all countries make a choice in deciding how to tackle their housing problems. Ireland, for very many years, has gone for a combination of owner-occupation and public renting, while other countries have settled upon alternative combinations in which private renting has tended to play a more dominant role.<sup>11</sup> However, it would not appear as if our inefficiencies in resource use are in general apparent in the housing policies pursued by other European countries. In particular, reference should here be made to the sad history of rent control and even the methods which have been used in encouraging owner-occupation. (See Chapter 7).

While it is true that in relation to the rent-controlled sector the 1960 Rent Restrictions Act began a move towards the relaxation of rent control, the next significant step was not taken until 1967. Again, the two Government White Papers on housing, issued in 1946 and 1964, scarcely mention the problems of rented accommodation, nor do they make mention of any role for the sector in the context of overall housing policy.<sup>12</sup>

The Government White Paper — **Housing in the Seventies** — issued in 1969, contains the first significant references to the role of this sector. In relation to rent control, it recognises the problems caused by its existence, but then goes on to say that "recent changes in legislation were designed to encourage the proper maintenance of the present stock of controlled houses by allowing landlords carrying out repairs to increase rents".<sup>13</sup> The legislation here referred to is presumably the 1967 Rent Restrictions Act, which entitled landlords of rent-controlled dwellings to increase the rent where improvements had been carried out, but the permitted increase of 8% p.a. of the landlord's improvement costs was clearly an insufficient inducement. Indeed, the real indictment of the failure on the part of governments to act positively in this area is manifested by the fact that the final abolition of rent control was left to the Courts.

Within the non-controlled sector, it is the lack of a proper public policy\*

\*Notwithstanding the existence of the 1931 Landlord & Tenant Act, the major provisions of which do not help furnished tenants in general.

which leads ultimately to the consequences already described. These centre on the ease with which tenants can be evicted, the difficulties in gaining access to the sector experienced by some people, unfair letting conditions imposed by some landlords and poor physical conditions in certain instances.

While, as already mentioned, the enactment of favourable legislation over a long number of years has created the environment which enabled the local authority and owner-occupied sectors to flourish, the rapid growth of uncontrolled private rented accommodation in recent years cannot be attributed to the deliberate creation of any such favourable environment by our legislators. The fact that between 1946 and 1971 the furnished rented sector grew by 164% is due, on the demand side, to the fact that this is the only type of suitable accommodation which is available for certain groups who can gain access relatively cheaply; while on the supply side, additional accommodation units have been comparatively cheap to provide and the returns have been sufficiently high, given the unrestricted situation which prevails, to attract the limited amount of investment needed to achieve a rapid increase in supply.

The spectacular growth in this sector has come from the rapid and cheap conversion of existing housing in inner-suburban areas from owner-occupied to private rented units. In general, such conversions would seem to have been carried out by landlords with short-term interests only. As already mentioned, such short-term views may be influenced by the prevailing uncertainty amongst landlords regarding the possible reimposition of universal rent control and other regulations, lack of knowledge amongst those who enter the sector regarding return on their investments and an inadequate and unsuitable system of government grants. In effect, by carrying out conversions at the lowest possible cost, the landlord was leaving his options open, enabling him to get out of the sector quickly and without having incurred any great cost. Such short-term attributes and lack of apparent commitment to the long-term provision of accommodation are encouraged (or at least not discouraged) by the failure of the authorities to consistently implement existing policies for regulating this sector. The 1963 Local Government Planning and Development Act, for example, lays down quite clearly that planning permission should be sought for all flat conversions and local authority development plans set out the standards to which such conversions should be carried out. But pre-1963 conversions are not affected at all while illegal conversion in Dublin would appear to be common practice in the absence of the will to introduce and administer proper enforcement procedures.<sup>14</sup>

Again, it should be pointed out that the 1969 White Paper demonstrates official awareness and concern for some of these problems: "*It will continue to be the Government's policy to encourage the proper maintenance of the housing stock and to ensure conditions favourable to private investment in new housing for renting. Grants for new and reconstructed houses and flats will continue to apply to the provision of accommodation for renting in the same way as they apply to houses for owner-occupation. Local authorities will be encouraged to make the fullest use of their powers to prevent overcrowding and to see that dwellings are kept in a fit condition.*"<sup>15</sup>

These are no doubt admirable objectives, but the situation as it exists on the ground would tend to suggest that either these measures have been inherently inadequate and/or they have been inadequately implemented. Very little, if any, accommodation provided for rental purposes in recent years has come from the construction of new dwellings — the vast majority of it coming from conversion of existing dwellings. In addition, a deal of such conversion continues to be carried out to a poor standard of construction and the availability of the grants referred to does not appear to have greatly influenced this situation. In Britain also, where similar efforts were made to maintain the stock of private rented dwellings, an even more attractive grant scheme did not appeal to new or existing landlords. For example, after a number of years of operation, Donnison stated that 76% of such improvement grants had been going to owner-occupiers and local authorities, although houses in the private rented sector were in far more urgent need of improvement.<sup>16</sup>

In any case, it is difficult to see how the grants which have been available could have really influenced the standards of conversion and maintenance in the private rented sector. As was stated in the NESC Report No. 55, "in view of the age of the dwellings concerned and the costs of labour and materials, this (ie. the maximum grant of £600 per dwelling, as it stood in 1980) can hardly be viewed as an incentive to improvement and modernisation."<sup>17</sup> Furthermore, this system of grants was conditional on certain standards being reached in the work done, standards, which although desirable in themselves, would have involved outlays greater than most landlords seem prepared to bear under existing conditions. Again the dwellings which would require the greatest outlays are those in the poorest areas and let to poorer tenants; in order to recoup expenses involved in maintenance, landlords would have to charge rents far in excess of existing levels — so possibly putting their dwellings beyond the reach of those tenants who presently inhabit them. Finally, the disadvantageous treatment of such expenditure under our income tax laws acts as a further disincentive to invest large sums in conversions or maintenance. Beyond all of these considerations, however, is the very simple fact that in the absence of any enforceable regulations or controls landlords need spend only as little as they wish on conversions and maintenance, secure in the knowledge that, almost regardless of the condition of their premises, they will find tenants willing to rent them and at prevailing rent levels.

Getting back to the statement quoted previously from the 1969 White Paper, the Government of the day also stated its intention to maintain the stock of dwellings in the sector by encouraging the local authorities to use their powers of intervention to prevent overcrowding and to see that dwellings are kept in a fit condition. This is no more than a statement of intent and no guidelines are given as to how local authorities should go about pursuing the stated objective. This part of the quotation in fact illustrates rather neatly the lack of political will which has characterised the attitude of successive governments towards the private rented sector. Unlike the situation in the other tenure sectors where the will to tackle problems has resulted in the accumulation of a large body of legislation and administrative procedures governing their regulation,

the private rented sector has been left more or less to its own devices.

It is true that under the 1966 Housing Act local authorities do have the powers to intervene in cases of overcrowding and unfitness of dwellings in all tenure groups and that they are empowered to devise bye-laws specifically in relation to standards in the private rented sector, and many authorities (but not all) have in practice devised such regulations. However, there has been very little enforcement of such laws, partly due to inherent weaknesses in the bye-laws themselves and to a lack of penalties where cases are brought to court. Mainly, however, it has been due to the lack of regular inspection of premises and to the absence of any official and well-publicised department with direct and individual responsibility for enforcement and to whom complaints from tenants and others can be addressed. Also, as we have shown in Chapter 4, the fear amongst tenants of the consequences of complaining to the authorities about their living conditions acts as a deterrent to their doing so, and so further renders ineffective any powers which are available to the authorities.

It should also be remembered that the immediate rigorous enforcement of even the existing bye-laws and the other powers available to local authorities would create severe problems in the sector. Some premises would have to be permanently withdrawn from the stock, and this restriction in supply, combined with the costs incurred in respect of other properties in bringing them up to required standards could bring about a significant increase in the already high housing costs borne by tenants in this sector. However, it seems probable that much of the accommodation withdrawn would come from that already tight segment of the market which is prepared to rent to married couples and families, thus exacerbating the problems faced by such households in simply finding shelter, regardless of its suitability. Indeed, this scenario could only result in increased demands being placed on the local authorities to provide such households with shelter. Thus, the final logic of the White Paper is that local authorities would be forced into providing more and more accommodation — temporary and permanent — the more rigorously they use their powers. Accordingly, until such time as effective control can be exercised without the deleterious repercussions outlined above, it seems that it is only in the most extreme cases that the full weight of the local authorities' powers will be brought to bear.

The most significant failing on the part of the public authorities' policy towards the private rented sector, however, has lain in the failure to subsidise either the housing costs of the tenants and/or those investors who would be prepared to invest in rental units, while large subsidies are received by relatively well-off owner-occupiers and local authority tenants. The effects of this omission have already been described in Chapter 2, so there is no need to go over them here again.<sup>18</sup>

This failure to provide some form of public subsidy for the private rented sector, combined with the other arguments made in the foregoing pages make it fair to conclude this section by stating that during the present century legislators have concentrated their attention on designing and administering systems devised to promote the growth of owner-occupation and public renting and with ensuring that problems in these sectors were kept to a minimum. Indeed, the

whole history of housing legislation can be viewed as one of piecemeal accretion in response to the appearance of individual problems in different areas of the two main tenure sectors. It must be stated that such actions have, in general, been effective in terms of the large owner-occupied stock, in particular, which Ireland now possesses. As opposed to this, however, the one major piece of legislation introduced to deal with a specific problem in the private rented sector in turn became a severe problem in itself, as it was allowed to outlive its original purpose. While it is true that certain limited efforts were made to alleviate the effects of rent control since its initial introduction, such efforts did nothing to halt the rapid decline in rent-controlled lettings and also, in the absence of further effective regulation, allowed the rapid growth of the non-controlled sector with all the attendant problems of insecurity which we have referred to already.

The "response to crisis" approach, which we see as characterising Irish housing policy, has two profound and far-reaching consequences for the housing system as a whole. Firstly, it militates against the possibility of developing a comprehensive plan for housing which would take into account all the processes and trends which affect the housing market. Decisions, being reactions to specific developments, are frequently taken in isolation and, while they may solve one particular problem in the short-term, can have detrimental long-term effects in other areas of the housing market. In this type of environment, high-density local authority estates can be erected as a response to a growing waiting list without due consideration being given to the detrimental effects in social terms, or the grant for first time buyers can be quadrupled without the proper thought being given to the eventual effect on house prices.

Secondly, and more importantly from our standpoint, in a situation where political pressure can dictate directions in housing policy, it is those with strength, either in numbers or economic or political power, who inevitably gain and those without this muscle who inevitably lose. It was the fact that a group of landlords were in a position to finance a Constitutional case recently that led to the most significant change in landlord/tenant law since the foundation of the State. The initiative in this instance did not come from Government but from an organised interest group which left the Government with no option but to react in order to protect weaker tenants in the interests of social justice. Tenants in the private rented sector as a whole remain the only householders in the State who do not receive some form of direct or indirect State assistance in the form of subsidies to offset their housing costs. This is not unrelated to the fact that they are, in general, transient householders who find it difficult to organise and apply sufficient pressure to Government to ensure equitable treatment.

The words "problem" and "crisis" often appear in the Press and in reports from concerned bodies in relation to the Irish housing situation. Yet, in most of these instances, commentators are referring to a particular problem or one specific crisis — the number of people living in slums, the high levels of rent in private rented accommodation, the numbers on local authority waiting lists, the difficulties in securing home loans and many more. Rather than evaluate the

causes and effects of all these problems and arrive at a plan for dealing with the housing crisis, governments have responded to each of these problems in isolation, as they have reached crisis point.

So long as this continues to be the case, the weaker housing groups can expect less and the more powerful and vocal groupings can look forward to receiving more of whatever form of Government intervention in the housing market prevails. It is not surprising that at least some writers in the field are pointing out the tendency for the gap between the well and the badly housed to become wider. As long as this trend continues, the private rented sector will continue to be characterised by widespread insecurity.

## Overview of Problems

In this chapter we have argued that governments down through the years have chosen to promote owner-occupation as the most desirable tenure, at the expense of the private rental sector, and that this policy now reflects itself in the huge problem of insecurity which besets private rented accommodation as a housing sector. Vast resources of public and private money, administrative and legal effort, land, labour and building materials have been organised in order to build up a large owner-occupied housing sector. This enormous concentration of resources on the owner-occupied sector (and to a lesser extent the public sector) has meant that higher-income demand has, in general, switched to owner-occupation and low-to-moderate income family demand has gone to the social sector, with a higher concentration of low-income demand remaining in the private rented sector.

The groups which use the private rented sector have not had their situation adequately catered for by the public authorities, with the result that they have been left open to the mercy of wider economic forces, which we have already stated, determine as a residual the amount and quality of accommodation open to them. It is not surprising then that the problems already discussed should exist in abundance. Under existing conditions the only restraining influence on a landlord in fixing rent levels is the amount he thinks he will be able to get. Given the present level of demand for private rented accommodation, in Dublin at least, many landlords are able to secure very high rents for "makeshift" flats and bedsitters which are in very poor condition. It is not an uncommon occurrence in Dublin, as this report is being completed, for single rooms, very often damp and lacking basic facilities, to be let for more than £25 per week.

Not only are landlords able to secure these sorts of rents, the demand for accommodation is such that they are able to discriminate between prospective tenants, since almost all lettings advertised are bound to attract a long queue of hopefuls. The discrimination tends to be in favour of the type of tenant most frequently referred to in the "flats to let" columns as "respectable, single, quiet, business person". By implication, and also as our own evidence shows, it tends to be against married couples, single parents, the unemployed and those who may project "the wrong image" by their physical appearance. These people, if they are fortunate enough to eventually persuade a landlord to let them a

dwelling, are likely to pay the same rent, and usually a greater proportion of their income, for worse conditions. Furthermore, the amount of security which can be expected after accommodation is secured is minimal. If circumstances change – a baby is born to a married couple, for example – this may be taken as a cue for the landlord to ask for an increase in the rent or for the tenant to leave.

Even if the tenant is protected from landlord discrimination and the necessity of paying a high proportion of his income on rent for frequently poor premises, his continuing insecurity is guaranteed by the knowledge that he can be asked to leave (often at only one week's notice) without being told why. As we have shown, the vast majority of evictions, where we have been able to ascertain the reason from tenants, did not result from any breach of contract on the part of the tenant, such as non-payment of rent\*. The ease with which evictions could be executed was a major reason for the short average stay in private rented accommodation which we discovered from our work. We were able to calculate the total stay (from the beginning to the end of the tenancy) in just over one-third of the total number of cases. As Fig. 6.1 shows, more than half of these tenancies lasted less than one year and under 12% lasted longer than five years.

Fig. 6.1 Total Length of Stay for Tenants in Private Rented Accommodation



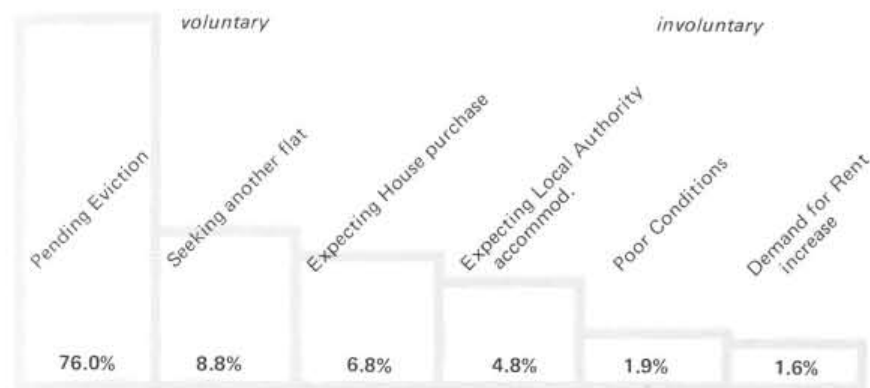
Source: Threshold Survey Data

1139 tenants (more than 45% of the total number of private tenants who came to **Threshold** over the two year period) expected their tenancy to end within the following six months. As Fig. 6.2 shows, the vast majority of these expectations were based on reasons beyond the control of the tenant, with 76% being attributed to a pending eviction.

The adverse effects of arbitrary evictions go beyond those relating to the short period of time one can expect to stay in a house or flat. As we have shown, many tenants choose to endure very poor conditions, trespass, and even harassment by the landlord, rather than run the risk of being served with a notice to quit. Rights which are afforded to tenants will remain difficult to exercise as long as some form of basic protection from arbitrary eviction is denied them.

\*This is not to say that all evictions take place for these reasons. From our contacts with landlords, we have data on cases where tenants' own unreasonable behaviour led to eviction proceedings being instituted.

Fig. 6.2 Tenants Expecting to Remain in their Dwellings for Less than 6 months – Expected Reasons for Leaving



Source: Threshold Survey Data

### Conclusion

Few of the first 3,000 individuals and families who approached **Threshold** for advice could be said to be enjoying the benefits of a home – an attribute defined in its most basic form in the Oxford Dictionary as a “fixed residence”. We have attempted to trace some of the causes of the ongoing cycle of rent increases, harassment, evictions, overcrowding, discrimination and homelessness. The effects of this ongoing cycle are more difficult to trace. While various social problems have long been associated with poor housing conditions, it may be that even the economic price we pay for the maintenance of such conditions is heavier than the price we would pay to solve them. As one commentator has put it:

*“To the extent that ill-health, crime and lack of opportunity are associated with poor housing, together with the effect on the household concerned, poor housing imposes direct costs on society at large in the form of greater public spending on, for example, medical services and crime prevention.”*<sup>19</sup>

### Notes and References

1. Wilkinson, R.K., “Economic Aspects of Low Income Housing Policy in the Urban Economy”. *International Journal of Social Economics*, 2(2), 1975, p. 76.
2. Lansley, S., op. cit., p. 21.
3. Joyce, Laraine and A. McCashin, op. cit.
4. In the study, the basic poverty line used was the maximum weekly rural unemployment assistance rates which were in operation from July 1973. Since this poverty line was very low, two other poverty line measures were also used, namely the basic line plus 20% and the basic line plus 40%. These are referred to as poverty lines A, B and C.
5. Ibid., pp. 15-16.
6. See Baker, T.J., and L.M. O'Brien, op. cit.

7. Quoted in Berry, F., **Housing: The Great British Failure** (Charles Knight, London, 1974), p. 123.
8. Baker, T.J., and L.M. O'Brien, op. cit., p. 227.
9. Pfretzschner, P.A., **The Dynamics of Irish Housing** (I.P.A., Dublin, 1965), p.20.
10. Donnison, D.V., **The Government of Housing** (Pelican, 1965), p. 85.
11. United Nations, **Special Housing Needs** (Proceedings of the Seminar held in the Hague, November, 1976).
12. Stationery Office, **Housing: A Review of Past Operations and Immediate Requirements**. (Dublin, 1948); **Housing: Progress and Prospects** (Dublin, 1964).
13. Stationery Office, **Housing in the Seventies** (Dublin, 1969), p. 42.
14. Halligan, M., op. cit.
15. Stationery Office (1969), op. cit., p. 42.
16. Donnison, D.V., op. cit., pp. 230-231.
17. NESC (1981 A), op. cit., p. 289.
18. Under the Supplementary Welfare Allowance System, a Health Board may supplement a person's allowance if he is paying rent over £1.50 per week, and the supplement may come to a whole or part of the difference between £1.50 and such rent, up to a rent of £5 per week. Where the proposed grant is over £5 per week, the case is referred to the Dept. of Health & Social Welfare. For a detailed assessment of this very limited Scheme see NESC, **Universality and Selectivity: Social Services in Ireland** (NESC Report No. 38, Stationery Office, Dublin, 1978) pp. 154-155. Details of the most recent Scheme devised to subsidise the supply side of the private rented market will be found in Appendix C.
19. Lansley, S., op. cit., p. 30.

# III

## **The Climate for Change: A New Look at Housing**

### **Immediate Needs**

### **Summary**

# The Climate for Change: A New Look at Housing

# 7

## Introduction

The previous chapter has posited a set of interrelated factors which in **Threshold's** view give rise in various ways to problems of insecurity in the private rented sector of our housing system. Arising from this analysis and also as a consequence of **Threshold's** own experience of dealing with individual housing problems, we feel that lasting solutions to specific problems can only be found following a thorough reappraisal of the direction of Irish housing policy in order to ascertain how imbalances are created and maintained and how their effects can be eased. The problems of insecurity which have been shown to exist in private rented accommodation cannot be effectively tackled in isolation from a determined effort to rid housing policies of the inequities which, as we have seen, confer such major financial and other advantages on owner-occupiers and public tenants, while virtually ignoring the financial plight and lack of security among private tenants.

There is an urgent need to tackle the problems of insecurity in the private rented sector and in the following chapter we shall look in detail at the options which present themselves in attempting to deal with this problem. However, if the problem is not tackled in the proper context, then reforms in one area are destined to be but yet another isolated response to a particular crisis. This would lend support to the belief that our approach to housing is basically sound and that particular problems can be tackled in isolation. This idea has characterised intervention in the housing market by successive governments to date and has been instrumental in maintaining the situation where one area of housing is tampered with without due consideration of the effects in other housing areas and where those with the strongest voice succeed in gaining the greatest slice of the cake. In order to solve the problems of the private rented sector, new policies must be devised and implemented in their proper context.

The context is one of an awareness of the need for changes in our approach to housing, involving a whole new look at housing as primarily a basic human and social right. It must be seen as a question of urgent and growing proportion

and rank as a priority over most other forms of public spending. A comprehensive approach to the housing problem should emerge which would recognise the links between all areas of housing and the need to promote equity as well as minimum standards. Basic to such a reorientation of housing policy is the need for society to indicate its willingness to accept the responsibilities inherent in the concept of "the right to housing", particularly in relation to the issue of the amount of resources required to attain that objective. Indeed, the question of the total resource requirement and its distribution is of fundamental importance.

Given the existence of various constraints, including the resource constraint, the ultimate objective of the "right of housing" can only be reached by way of a series of well-planned stages, with a limited number of priorities being targeted for during the course of each stage, but within the overall context of the realisation of housing as a social right. Before looking in more detail at what these priorities might involve, however, let us first of all look briefly at the issue of housing resources and follow this with an attempt to define what is meant exactly by the concept of "the right to housing".

### Resources Devoted to Housing

In analysing the future direction of housing policy, a number of important issues need to be raised and discussed. Foremost among these is the question of the amount of resources which are to be devoted to housing. This is a fundamental political question to which discussion on housing policy should be directed. It cannot, of course, be answered solely by reference to housing matters. On the contrary, the question could be more helpfully reformulated in terms of the relative priority of resource allocation to housing as compared to other areas. Housing must perforce compete with all other forms of private and public expenditure and, as more and more people become satisfactorily housed, there may be a tendency for a diminution in public commitment to the declining proportion of ill-housed families. Unlike the social services of health or education, housing is not a social service which is universally available to all who are defined as being in need and the priority accorded to the service fluctuates from year to year.<sup>1</sup>

The current proportion of resources devoted to housing reflects the priority presently accorded to housing by society as opposed to other desired goods and services. The resources utilised by the housing system can be seen either in real or in financial terms. In real terms they consist of the stock of existing dwellings, along with the land such dwellings occupy and the infrastructure which services them; the buildings and capital equipment of institutions, such as building societies and estate agents, which operate within the system; the people working in these institutions or otherwise engaged in the administration or maintenance of the existing housing stock; and the land, labour, materials and capital equipment used in planning building and allocating new housing developments.<sup>2</sup>

In financial terms the flows relating to housing are not confined to paying directly for resources. Also included are the very significant transfers of funds from one section of society to another by way of government taxation and sub-

sidies. In general, debate regarding the resources used in housing tends to focus mainly on these financial flows.

This happens because there are limits on the amounts of money which can be raised by government and there are many competing uses for this limited sum. Of course, a reduction of such public flows into the system need not necessarily have a significant effect on the total level of resources devoted to housing. A diminution of public funds could be cancelled out by a countervailing increase in private flows. Such a change would, however, seriously affect certain parts of the housing system and certain sectors of the population.

During periods of economic difficulty, the clamour to curb the overall level of public resources devoted to housing (and other areas of social spending also) becomes great. In relation to housing, such concern tends to manifest itself in relation to the growth in explicit subsidies in one part of the housing system which is not matched by a similar concern over the growth of implicit subsidies in other parts of the system. This has shown itself in practice in that "the proportion of new houses constructed by local authorities has declined significantly in recent years as the number completed annually has been held constant; the proportion of public capital expenditure devoted to public housing has declined at the expense of subsidies to owner-occupiers; the average level of subsidy of local authority tenants has declined in real terms, while substantial increases in the subsidies available to house purchasers have been announced."<sup>3</sup> Such trends are not peculiar to Ireland, but are also very apparent in other European countries which in the past have pursued very different housing policies to Ireland.<sup>4</sup>

Our National Economic & Social Council has recorded its concern at the distributive impact of recent developments in housing policy and stated that the present economic difficulties "should not deflect the community from the pursuit of social aims".<sup>5</sup> **Threshold** feels that instead of present difficult circumstances being used simply to curb expenditure, this should be the time when stock is taken of the effects of existing expenditure levels with a view to assessing their results in terms of attaining the explicit and implicit objectives of social policy.

**Threshold** believes that the preference for particular tenure sectors as displayed by the allocation of public resources to housing in recent years is not wholly justified in either terms of efficiency or equity. We believe that resources have been allocated in ways which have had undesirable and unintended consequences. Subsidies have led to an increase in total housing investment and a shift in its structure towards owner-occupation and local authority renting and away from private letting. They have encouraged the decline of the privately rented sector and a steady deterioration of the quality of privately rented dwellings. Some of the impact of the tax concessions and other subsidies going to owner-occupiers has been felt in higher house prices which has in turn increased public spending on housing.<sup>6</sup> Further, by encouraging upward trading in the owner-occupied sector, existing aids have increased the level of under-occupation and led to a waste of space. Under-occupation has also arisen in publicly rented accommodation because of general immobility. Too many resources have been channelled directly or indirectly into improving the housing

conditions of those already well-housed and enhancing the wealth of those already well-endowed, especially land owners, developers and better-off owner-occupiers.

It could be argued that some of these efficiency losses could be justified if the system had led to a favourable redistribution of income. As pointed out in the previous chapter, however, such has not been the case and, as described above, the National Economic & Social Council has seen fit to express its concern regarding the distributive impact of the most recent developments in housing policy.

If the possibilities of increasing the overall level of resources being allocated to housing, and in particular the level of public resources, are not too good, then the desirability of a major shift in policy towards increasing consumer housing costs and concentrating resources on assistance to the needy should be a major priority.

The priority must be to establish a fairer and more effective system of housing finance; and this implies less "general assistance" for many and more specific assistance for the needy. An analysis of the alternatives which might be considered in this context is beyond the scope of this report, but for details of alternative schemes, the reader is referred to the references given at the end of this chapter.<sup>7</sup> A society that asserts and believes that each of its members has a fundamental right to a proper house according to need might perhaps structure itself and its resources as to make the achieving of that right a possibility.<sup>8</sup> As such a reorientation of housing policy objectives and financial flows cannot be achieved in the short-term, we would strongly recommend that housing subsidies should be reformed along the lines set out in Report No. 23 from the National Economic & Social Council.<sup>9</sup>

### The Right to Housing

In Ireland, as in most countries, housing is not recognised as a social service. This can be attributed in part to the physical and technological emphasis with which planning and housing have traditionally been concerned, and in part to the traditional role of property in the capitalist economy.<sup>10</sup> Historically, therefore, there have been strong restraints even on treating housing as a social service for the working classes,<sup>11</sup> still less on treating it as a national service, concerned with urban and rural development as a whole.

**Threshold** asserts that access to decent housing conditions is a basic human right on a par with the right to work, and that Government should take responsibility for providing it in accordance with peoples' needs. Housing is of fundamental importance to all other areas of community and individual well-being and so steps should be taken to ensure that decent housing of a good quality is provided to all households and that housing resources are distributed equally and fairly on the basis of need and independently of income.

In some countries of Eastern Europe, such a right has been written into the Constitution and some West European countries have devised housing policies which attempt to put the right into practice.<sup>12</sup> While the Irish Constitu-

tion does contain a commitment to ensuring that the interests of the weaker sections of the community are protected, it does not guarantee any right to housing, merely the rights of the institution of private property. **Threshold now recommends that strong consideration be given to revising the Constitution to include an Article guaranteeing the right to housing and that this should be seen as the first step towards devising a housing policy which would spell out in unambiguous terms the implications of the Constitutional guarantee.**

The strong need for considering such a revision has been brought home to us in the wake of the Supreme Court decision of 19th February, 1982 on the unconstitutionality of the Housing (Private Rented Dwellings) Bill, 1981\*. This judgment, which upheld private property rights over any rights tenants have under the Constitution, holds enormous implications for the development of any future policies which might aim to regulate the operation of the private rented market. As such, **Threshold** strongly feels that landlords' property rights should be tempered somewhat by a Constitutional amendment in view of the narrow legalistic interpretation which the Courts are putting on the Constitutional guarantees of property rights. Such a revision, if seriously contemplated, should not take the form of a simple bromide, but should form the basis for the introduction of comprehensive legislation which would ensure that such a basic human need as shelter is adequately provided for all who need it.

The "right to housing" is not a new concept. It was already spoken of in the 1930's at the League of Nations and following World War II, the General Assembly of the United Nations adopted and proclaimed the Universal Declaration of Human Rights. Article 25 of the Declaration commences as follows: *"Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing, and medical care and necessary social services . . ."*<sup>13</sup>

This expression of the right to housing as an elementary social right was presented in the form of a declaration more than thirty years ago. Today we must begin to make this general declaration far more specific and to translate a declared right into a more concrete civic right. This raises the question as to how the right to housing should be defined in terms amenable to policy makers and what aspects of it should be spelt out. Such issues lead to further questions. To what is a citizen entitled? What is a citizen entitled to demand of society for the satisfaction of his housing needs? What are the obligations of society for the satisfaction of the housing needs of a citizen and his family? and what could be considered as a reasonable level of payment for housing services?

First, it is necessary to determine far more precisely than has been done in the past what is meant by a statement such as "everyone has the right to proper housing located in an acceptable environment". How this can be achieved in practice should be examined. Clearly, the meaning of "proper housing" and "acceptable environment" constantly changes with rising living standards and expectations. Also, what society considers to be the housing entitlements of individuals and families increase with the gradual improvement in housing conditions and in economic and social development generally. As Townsend puts

\*See Chapters 2 and 8.

it, a "proper house" is a "changing social conception which can be properly defined only in relation to the whole range of housing and the conditions in which it is occupied."<sup>14</sup> So acceptable housing standards should at all times be defined in terms of average housing conditions and the housing situation analysed in the context of current standards and expectations, not those of a generation ago.

Housing must meet fundamental needs such as rest, by offering adequate protection to its occupants. From this point of view, it must be recognised that everyone should have the right to a dwelling which meets his requirements as regards health and comfort. The dwelling must be adequate for his daily needs from the standpoint of size, equipment and quality, as well as location, environment and amenities. So physical standards, then, are not unimportant when speaking of proper housing. But such standards need to be constantly redefined over a wide range of variables and updated as average housing conditions improve. In addition, conditions need to be constantly monitored to ensure that standards are maintained and improved as necessary.

In modern societies, however, housing is no longer merely perceived as a physical structure which provides shelter for its occupants; it is expected to perform many other functions also and the analysis of the right to housing must take cognisance of these other functions. Housing must also satisfy other higher level needs, such as recreation, and it provides a haven for the pursuit of cultural activities. It is obviously very difficult to set standards when it comes to satisfying needs in relation to these sorts of functions.

Aspects of the right to housing then include the right of a family and of a single person to an independent dwelling or, if preferred, to another form of habitation; the right to indispensable, socially acceptable housing standards ensuring suitable hygienic and functional conditions in the dwelling with respect to space, equipment and quality, and also to providing satisfactory environmental conditions, protection against elements harmful to physical and mental health, basic amenities and conditions necessary for rest and recreation.

In looking at aspects of the right to housing, the question of choice must be considered as one of the important elements. It has been a feature of housing policy in market economies to emphasize the freedom of choice available to the individual by attempting to offer him dwellings of different type, quality and form of tenure. As already stated, however, the market does not automatically guarantee the fulfilment of the right to choose, since opportunities within the market are severely constrained for many by economic barriers. The right of choice, however, has a wider significance than the mere opportunity for optimum adaptation of the stock to the needs of the family. It is rather an expression of the elementary human right to organise one's immediate surroundings in accordance with one's needs and wishes, and it provides a safeguard against the tendency to standardize housing and divest it of any individual features.

It might be said that the statement of existing housing policy quoted on page 48 above at the very least implies a right to housing. But, of course, the real issue involved with a declaration of this nature is the extent to which it has a binding force on the government. As it stands, the statement can be interpreted

in a number of ways and one such interpretation could be the extreme one, that the government guarantees that adequate housing, like schooling, will be available to all. If this were really the situation, inadequately housed families would be within their rights in turning up at a Government office and demanding that they be provided with good housing. In order to overcome such ambiguities **Threshold** has called initially for consideration to be given to the introduction of a firm Constitutional guarantee of the right to housing subsequent to which over a number of years housing policies would be devised which would clarify the meaning and extent of that right.

If the concept of the right to housing is to go beyond a mere declaration of principle, it means that society has obligations to the individual. Thus, society must, through various channels, guarantee access to a decent dwelling for every citizen. This clearly implies that the housing situation must be satisfactory both in quantity and quality. In addition, the economic barriers which can act as constraints in individuals' efforts to achieve their housing needs and requirements, must be resolved.

The right to housing, quite clearly, alters the objectives of housing policy from an emphasis on the enlargement of the housing stock and improvement of the general housing situation to stress also the improvement of the living conditions of individual members of society. Accordingly, housing policy would then be evaluated not only on the basis of changes in the overall housing situation but also in terms of its effectiveness in dealing with individual situations and in improving conditions for specific groups of the population, especially those experiencing greatest hardship. This not only applies in the context of such groups gaining access to a dwelling, but also in ensuring that once in that dwelling they can be secure in its occupancy until such time as they wish to move, and that when they do wish to move, insurmountable barriers to attaining their own preference should not be in their way.

### **The Right to Housing — What Remains to be Done in Ireland?**

Apart from giving consideration to the enshrining of the right to housing in our Constitution, as already recommended, Irish housing policy must also undergo some very basic alterations. For a start, the strong policy emphasis placed on satisfying family needs must be complemented by a concern for the needs of non-family households also. In this context, the very rapid growth of non-family households in recent years and the expectation that there will be a continued growth in demand for separate living space from such individuals and groups in the future, means that the special needs of such households cannot be ignored for ever.<sup>15</sup> The fact that such a large proportion of these households are concentrated in the private rented sector gives added impetus to the need for policy to comprehend the needs of the non-family household.

As already indicated, it has long been accepted in Ireland that public policy should aim at providing some minimum standard of housing to all households, independently of their ability to afford such housing. There is far less agreement about what constitutes these minimum standards, however, and as we

have already indicated, even these ambiguous standards do not apply or cannot be implemented in the cases of many private rented tenants who daily seek the assistance of **Threshold**.

In general, minimum standards have been determined by a mixture of social convention and economic well-being, representing a balance between what is socially desirable and what is economically feasible. In practice, a number of statutory and administrative criteria have developed regarding such minima. These relate, in particular, to the fitness of the dwelling, its amenities and overcrowding. But it is increasingly being accepted that standards need to be extended beyond the structure and amenities of the house itself to considerations of privacy, space, density and the environment. Minimum standards as traditionally defined and as expressed in such vague terms as those quoted from **Current Trends** on page 48 of this report would need to be abandoned in favour of objectives which aim to tackle disparities in housing by narrowing the gap between those who are in the best housing and those who are in the worst.

The range of choice available to new entrants to the housing system and to those already within it, should be broadened as far as possible for both families and single people. In practice, this means ensuring easier access to owner-occupation for poorer households, a change in the allocation rules of local authority dwellings from one of providing for families to one of providing for people, although not necessarily on a subsidised basis. Finally, alternative tenure forms (including the private rented sector) should be seen as having important functions to play by way of extending the range of choice within the system.

The policy bias in favour of building new housing in greenfield areas and of comprehensive housing redevelopment in the inner city as a means of bringing about higher standards overall needs to be modified so that greater efforts are made to bring obsolete and dilapidated dwellings up to standards comparable to those in new houses. Present policies and legislation are also lacking in that they fail to initiate adequate rehabilitation and improvement in the private sector.<sup>16</sup> Beyond all of these basic shifts in policy is the overwhelming need, as already asserted, to establish a fairer and more efficient system of housing finance.

All of the basic shifts in policy are necessary prerequisites in paving the way for the achievement of a housing policy where the right to housing would be the prime objective. Such an objective, as we have already stated, is only attainable by means of incremental changes in policy. Rather than seeking to attain the impossible, effort should be concentrated on promoting debate on achieving the possibility of identifying issues on which government policy should be concentrated, but with the overall view of a policy which in the future would be rational and equitable. Given a greater concern with evaluating the effects of such incremental changes within a clearly defined overall objective, then the consequences of piecemeal legislation as introduced in the past can be avoided.

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16. N.E.S.C. (1981B), op. cit., pp. 290-291.

# 8

## Immediate Needs

### Introduction

In the previous chapter basic changes in existing housing policy were called for with the view to bringing about a new approach to housing in which the "right to housing" would be the fundamental objective. Given such a priority, the right of families and individuals to decent housing of a clearly defined quality would be the major goal of policy. Such a policy would also involve a more effective effort at reducing inequalities in physical housing conditions, in access to housing of different types and in the cost of housing for individual households.

In the context of our present study, the question now arises if the private rented sector should have a role in this new long-term approach to housing? If for the moment we accept an affirmative answer to this question, then a series of other questions naturally follows on. Should this role continue to be similar to the functions presently fulfilled by the sector, or should it be modified in some ways? Should it be allowed to continue under the existing level of public control or should further regulations governing the sector's operations be introduced? What factors should influence the degree to which any new controls might impinge on the freedoms of landlords? Given the Supreme Court decision of 19th February, 1982 regarding rent regulation, to what extent can new legal restraints on property rights be introduced at all under existing Constitutional provisions? If, on the other hand, the answer to our original question is given in the negative, then there follows on a series of alternative questions which need to be discussed. Should we simply write the traditional private rented sector off (except for the upper-priced end) and accept its cumulative decay?, or should it be taken completely under public management?, or should such housing be used, if available, in encouraging the growth of a voluntary housing movement or some other alternative tenure forms?

A final question could also be asked which would be based on the assumption that all of the above alternatives are not mutually exclusive. Such a question would involve the practicability of devising a solution based on the combination of a number of the above options.

### Fundamental Questions

1. *Does the private rented sector have a long-term role to play in the context of a more efficient and just housing system?*

In order to begin to formulate an answer to this question, it is necessary to recapitulate on the role which privately rented accommodation presently performs. Throughout the twentieth century, the use made of, and the opportunities available within the privately rented sector have been changing enormously. The changes that have occurred have been largely related to the declining size of the sector. When the vast majority of households were tenants of private landlords, the position of private rental was clear-cut: it was the leading source of housing accommodation.

The "housing problem" as perceived early on in this century was the problem of rented housing, since this constituted the greater part of the housing stock.

In contrast to its former significance, the private rented sector is now virtually a residual feature of the housing system. Such a conclusion, as already stated, is supported by the general characteristics of the sector's housing stock, its tenants and even the landlords themselves. But the sector does continue to play an important role which tends to belie its small size.

The current role of the sector is a diverse one and it houses a great variety of household types, but is used in four principal ways. Firstly, it provides permanent accommodation for elderly households in the unfurnished sector who have been tenants all their lives. In general, this immobile group pays modest rents, often for accommodation of low quality. This sector has been in sharp decline for many years and as a result of the Supreme Court judgment of February, 1982 its future role has become a matter of great uncertainty.

Secondly, it houses the group of younger mobile tenants which looks on private renting as a "sector of passage", either to owner-occupation or the public sector. The importance of private renting to this group must not be underestimated, since it provides their only means of access to the housing system.

Thirdly, it houses those people who for reasons of mobility or because they do not want the responsibilities associated with ownership prefer to rent on a permanent or semi-permanent basis.<sup>1</sup> Fourthly, it shelters that group of households, often on the verge of homelessness, who are sometimes described as being "trapped" at the bottom of the housing ladder.

Currently, then, the privately rented sector performs important housing functions, housing many groups who require rented accommodation and providing flexible arrangements for newly-formed and mobile householders who are often not eligible under existing policies for public sector housing. It provides permanent homes for those who cannot (or chose not to) seek housing elsewhere. Clearly, the challenge presented by such needs, now and in the future, cannot be ignored.



Threshold asks a fundamental question: Is there a future for Private Rented Accommodation?

Threshold then does see a long-term future role for private rented accommodation, or for some alternative tenure form which retains the many favourable assets of private rental which currently makes it attractive to so many households, as the only means of entering the housing system for many others; and as a last refuge for those households who cannot find shelter elsewhere.

But as Ireland does not have any significant development of alternative tenure forms, the burden of meeting the needs currently served by the private rented sector must continue to fall on that sector in the long-term.

At the same time, however, Threshold sees the need to investigate the possibilities opened up by other tenure forms and recommends that such studies or experiments as are felt desirable should be proceeded with.

In recommending that the private rented sector should have a long-term role to play in the development of the Irish housing system, Threshold is aware that such a proposal is not in line with trends which are currently manifesting themselves in the tenure structures of the housing stocks of other West European countries and in North America. Furthermore, our view diverges from the conclusions reached in a lot of recent research emanating from England and mainland Europe.

On the issue of European and American housing trends, a recently published review of a major on-going comparative research project stated that the private rented sector in West Germany, Holland, France, Denmark and America is beginning to be limited to a marginal and problematic role and concludes that "in the five countries surveyed, with their variety of housing policies and with their former history of relatively active private rental sectors, the outlook for this tenure is now bleak".<sup>2</sup> This pessimistic prognostication is attributed to the economic weakness of private renting in these countries in that the "private landlord is being left with the task of housing those at the bottom of the market, while most of the rest of the population, along with housing investors, benefit from the large subsidies which are devoted to helping the owner-occupier and, less enthusiastically now, to aiding those in non-profit-making social housing".<sup>3</sup> In order to reverse the trends in private rental in these countries, this author states that a major requirement would be a radical reversal of policies which chose to promote owner-occupation as the most desirable tenure form at the expense of the private rental sector and the granting of large subsidies to landlords to enable them to continue to provide accommodation for the weaker groups who are now confined to this sector. The author concludes by stating that neither of these is likely to happen in the countries studied.<sup>4</sup>

Similar pessimistic conclusions regarding the future role of private renting in Britain have been put forward in a good deal of research published in recent years, including some published by official sources. A Fabian publication concluded that "the only way by which housing provided by private landlords could be prevented from disappearing almost completely would be to allow

landlords a degree of freedom to exploit their tenants that nobody with any social conscience could tolerate".<sup>5</sup> Likewise, Lansley concluded his analysis of the situation with the view that one must "be sceptical about the feasibility of restoring a significant role to the private rented sector, quite independently of its desirability".<sup>6</sup> Lest these sources could be accused of one form of political bias, a British Government discussion document, published in 1977, stated that "the future prospect for the market in long term private lettings is poor".<sup>7</sup> Of course, research is also appearing in Britain which advocates the desirability of maintaining, for various reasons, a strong and viable private rented stock of dwellings and various reforms are propounded which in the view of the authors would achieve the realisation of this objective.<sup>8</sup>

The widespread pessimism apparent in a great variety of housing literature about the future role of private renting in Europe is related to what is seen as the impossible task of reconciling the conflicting interests of landlords and tenants, regardless of the policies which are adopted towards the sector in isolation from fundamental changes in overall housing policy objectives and methods.

If we look at what **Threshold** would consider to be the major criteria which should govern policy in the private rental sector, the difficult task of reconciling these diverging interests while ensuring an adequate stock becomes all too apparent; these criteria should aim to:

1. Safeguard the interests of existing private tenants, many of whom are elderly, poor, or for other reasons have difficulty in finding adequate accommodation.
2. Ensure (without imposing unreasonable burdens on landlords, some of whom are of limited means) that good private rented dwellings are well maintained and not allowed to fall into disrepair prematurely.
3. Encourage the efficient use of all dwelling space, particularly in response to specialised needs and to promote the use of property which might be available for letting for limited periods only.
4. Make certain that methods and criteria selected for the determination of rents are geared to meet the difficulties faced by both landlords and tenants.
5. Ensure, through adequate administrative systems, the effective and speedy resolution of disputes between landlords and tenants, and
6. in general, provide a legislative framework which preserves a fair balance between the interests of the tenants and landlords so that the private rented sector can make an effective contribution to meeting housing needs and choices, is treated equitably both in relative and absolute terms and possibly evolve into social forms of housing involving and acceptable to existing landlords and their tenants.

In the face of the enormous task posed in trying to reconcile the interests of private landlords and tenants and the ever-increasing burden on public resources which it is claimed is required in order to maintain even existing stocks, a burden which some governments assert to be no longer politically acceptable, many European countries are now witnessing the decline of their privately

rented sectors. **Threshold**, however, feels that the Irish situation is so fundamentally different in many respects that our private rented stock cannot be allowed to follow the same trend. For a start, our demographic structure is so totally at variance with that of other European countries that existing and future demand patterns for private rental bear no comparison to our European neighbours. Ireland has a young and growing population, with a huge bulge in those age groups which create the greatest demand for private rented or similar-type accommodation. In addition, we have a huge concentration of tertiary activities, including centres of education, in one city only, so that there is a massive concentration of demand for small accommodation units in one place. As will be argued later on, we do not see these demand factors changing in the foreseeable future, but rather we agree with the conclusion of a recent report which predicts a major crisis in housing if increased efforts are not made in the years to come to satisfy the growing demand for small accommodation units from young mobile and single people.<sup>9</sup> As such, this country will need a strong private rented sector for a long time to come, which operates in a fair and efficient way and not one where exploitation, harassment and other problems are rife, as appears to be the case now.

**Threshold** believes that policy makers must confront the issues raised in this report and not shy away from them because of the fear of the possible consequences of taking action or because the whole problem appears to be insoluble. The consequences of further public intervention in the sector should be evaluated against the alternatives which **Threshold** feels will ensue if the existing situation is allowed to continue unhindered. Politicians frequently refer to the great resource we as a nation possess in our large population of young people and they make great play of the challenge involved in providing work and educational opportunities for these young people. Little is said, however, concerning the no-less-important challenge of providing decent housing opportunities for this group. **Threshold** asserts that this challenge to society should be grasped now and a start should be made on the admittedly difficult task of reforming the private rented sector in order to meet the growing demands for housing from young people.\*

Later on in this chapter we shall outline some proposals as to how the future role we envisage for private rented accommodation might be more efficiently and fairly executed. For the moment, however, let us suppose that there was disagreement on our general conclusion on the future role of the sector and that a consensus emerged that the sector should not be retained as we now know it. In such circumstances what would be the alternatives?

\*We are aware, of course, that more groups than young single people use private rented dwellings to meet their accommodation needs. However, we shall argue that the role of the sector should be concentrated more and more on meeting the requirements of the young and the mobile and that other groups should be enabled to satisfy their housing needs in other sectors of the system.

*2. Should the private rented sector be entirely written-off as a form of accommodation and its cumulative decay accepted?*

The logic of this option is that as dwellings in the existing stock of private rented accommodation (and any new dwellings which enter the sector in the future) reach the end of their useful lives they would be simply demolished and the tenants transferred to another housing sector. Alternatively, as this process could take a long time to complete, it could be accelerated by introducing some more disincentives to new investment and encouraging the change of use of existing dwellings which still have a reasonable life period remaining. Either way, the objective would be to get rid of all privately rented dwellings and transfer the tenants to the two principal existing tenure sectors or to another form of tenure. Given that other tenure forms are so poorly developed in this country, a large scale transfer of private tenants in the foreseeable future would have to be to the owner-occupied and local authority sectors. If it ever became the hope, or intention, that **all** existing tenants and future needs and requirements should eventually be catered for in the two principal tenure sectors, then the following issues would have to be faced up to: how to improve access to owner-occupation; the complete re-thinking of the policies controlling eligibility and priority for public sector tenancies, including the abolition of residential qualifications and the avoidance of lengthy periods on the "waiting list". Local authority attitudes to rent arrears, to irregular household structures and to what makes a "good tenant" would also need re-thinking. Attitudes to homelessness would also have to change if the present (admittedly) inadequate safety valve of private renting was to be removed.

Even if policy makers ever contemplated assembling the resources necessary to accomplish such a massive transfer of households, the idea would be objectionable to **Threshold** in terms of reducing the overall level of choice in the housing system and also in terms of removing a form of housing which, despite its existing drawbacks, clearly has many favourable aspects which makes it attractive to a large number of households. Overall, this option would involve such a large scale inefficiency in resource use that the idea could scarcely be acceptable to Irish society.

*3. Should the private rented sector be taken completely under public management?*

A policy of complete social ownership of private rented property is based on the premise that the problems of the sector can only be solved when all rented property is under government ownership and allocated according to "need" rather than ability to pay.<sup>10</sup> A further basic argument advanced in favour of a policy of "municipalisation" (as the process of social acquisition has been termed) results from fundamental opposition to the principle of private renting on the grounds that the interests of private landlords and tenants are irreconcilable. This argument is further developed by pointing to the disastrous failure of legislation which has been introduced in the past with a view to ameliorating for tenants the potentially unfavourable consequences stemming from this conflict of interests. In fact it is argued that such legislation

(for example, the Rent Restrictions Acts) has only succeeded in worsening the overall situation. So a basic argument for social ownership then is that it would remove the basis for conflict and so bring to an end the potential for abuse.<sup>11</sup> It is further argued that such a policy offers a prospect of systematic improvement of rented accommodation by the local authority, together with an upgrading of the local environment. In terms of the housing stock, it would help to preserve or increase the proportion of dwellings available for renting and the area of choice.<sup>12</sup>

Whilst these arguments are worthy, the means to the end are clearly political and would impose very high economic costs on society and doubts as to the eventual outcome. Under the present Differential Rent Scheme, which operates in the local authority rented sector, rent receipts from tenants now contribute less than 20% to local authorities' total current receipts for their dwelling stocks; almost 72% of the receipts have to be made up by rent subsidies from Central Government.<sup>13</sup> If the stock of private rented dwellings was to be brought under the Differential Rent Scheme, then the continuous call on Central Government subsidies following the enormous outlays required to purchase the dwellings would be very great indeed.

The ever growing use of such explicit Exchequer subsidies has in recent years caused concern in government circles and thereby led in 1980 and 1981 to real reductions in capital allocations to the local authority housing sector<sup>14</sup>, thus stifling attempts to meet genuine needs in that sector.

Furthermore, if local authorities were to take over such dwellings, the management and other burdens would be considerable. They would assume immediate responsibility for dwellings which, by current standards are, in general, inadequate and requiring massive renovation, if not clearance, and a new home for tenants. Even if Central Government finance was forthcoming, the local authorities would be required to undertake the responsibility for implementation of policy through acquisition and landlord "compensation", rehousing tenants during renovation and repairs, clearing condemned houses and the rehousing of families against an existing background of homelessness and record local authority housing waiting lists.

Municipalisation on a major scale would also require local authorities to change their existing policies in the ways cited on page 104 above, in order to generate greater mobility and wider access to public sector housing. Finally, the transfer of management from a private to a public landlord can only be countenanced if local authority management is both superior and fairer. Unfortunately, **Threshold** has encountered examples of bad relations between tenants and "landlords" in the public sector, and as a recent British publication shows, poor management is not an uncommon facet of housing problems in some British cities, at least.<sup>15</sup> But, while such cases can be quoted, it is fair to say that public sector management is perceived to be superior, or at least potentially so.

All in all, however, even though the policy of municipalisation does have many attractive features; for the foreseeable future such a policy is not realistic given the economic and political costs involved.

4. *Should available private rented dwellings be used in promoting the growth of the voluntary housing movement?*

Another alternative to the traditional privately rented sector is to promote the activities of the voluntary housing movement and, in particular, the growth of housing associations. In Britain, housing associations build and improve housing for letting at subsidised rents, aided by public funds in the form of Exchequer grants. They, therefore, supplement and complement the activities of local authorities by letting accommodation to households in housing need.<sup>16</sup> At present, however, even after substantial public encouragement, housing associations play only a very small role in the provision of housing in Britain, accounting for less than 2% of the housing stock.<sup>17</sup> In Ireland, housing associations along these lines do not exist at all. This contrasts with a situation in many European countries where such associations make a major contribution to the housing stock.<sup>18</sup>

In addition to housing associations, other forms of tenure include co-operatives and co-ownership schemes. Again these types of schemes have not been tried in the rented sector in Ireland, although the former type of system does make a contribution in the owner-occupied sector.<sup>19</sup> Such tenure forms offer an alternative to the gradual polarisation of the housing system between owner-occupation and local authority renting — an advantage that would be all the more useful if a policy of municipalisation was ever to be introduced. The major disadvantage, of course, is that they do not offer the same advantage of mobility as is offered by the private rented sector.

Again, we must conclude by being negative with regard to this option. In the short-term it cannot provide a viable alternative, nor even a minor safety valve for the problems of the private rented sector. However, we would recommend that further study should be carried out in relation to the possibilities offered by such alternatives. This research should establish clearly for the policy makers evidence regarding such issues as to what these tenure forms are alternatives for; what the demand is for alternative tenure forms as such, or whether such demand is merely a series of perceived problems relating either to the management of, or access to, the traditional tenures.

In the foregoing pages we have examined a number of alternatives to the traditional private rented sector. While most of the options analysed have certain advantages, the difficulties involved in implementing them far outweigh any such advantages at this point in time. This then brings us back to the conclusion offered on page 103, where it was stated that **Threshold** envisages a role for the private rented sector in any long-term strategy devised to solve our housing problems. In the light of this conclusion, then, let us now go on to raise and attempt to answer a further set of fundamental questions before getting down to actually looking at specific recommendations for the future development of an efficient and equitable private rented sector.

5. *Should the private rented sector continue to function under the existing level of public control?*

Cannot a good case be made for leaving the private rented sector alone and allowing it to get on with the job it is currently doing? After all, the furnished sub-sector has grown very rapidly since 1946 and is providing accommodation, particularly in large urban centres, for people who might not otherwise be able to secure a separate dwelling. Also, is not this accommodation being provided without virtually any cost (in the short-term at least) to the State? Are not the majority of tenants young and mobile who don't mind enduring a bit of hardship for a few years in the interim before proceeding to a more permanent form of accommodation? Now that the Rent Restrictions Acts have finally been declared unconstitutional, thus forcing the Government to declare its intentions of protecting needy tenants affected thereby, is it not better to leave the rest of the sector alone, because if further interference is permitted, might not the whole supply situation be placed in jeopardy?

Some people may see reason in abundance in all of these arguments, but from **Threshold's** experience of dealing over the past four years with the human misery which appears to be such an integral part of the sector, we can see no justification whatever for tolerating the existing level of abuse of their market powers by landlords, consequent upon the failures of successive governments to deal effectively with the sector. On the basis of the figures alone, the supply of furnished accommodation is improving, but day after day **Threshold** deals with an increasing flow of victims from private rented, a flow which has not diminished since first opening our doors four years ago. There is no justification for asserting that any family or individual should have to tolerate poor housing conditions or unnecessary threats of eviction for any period of time at all. Even if the sector was entirely composed of young people, which it is not, there is no merit in an argument of this nature. Finally, as we have already stated, private rented is not a "sector of passage" for everyone; many people, family groups included, are effectively trapped therein with no means of escape to better conditions under our existing housing policies.

Accordingly, while arguing for the retention of a private rented sector, we also recommend that the sector as it presently exists, with all its problems, cannot be tolerated indefinitely. There is urgent need for more official involvement in regulating the sector in order to ensure that the problems of insecurity, which have been discussed in this report, are quickly eradicated and not allowed to recur.

6. *Should a reformed private rented sector fulfil a more specialised role?*

**Threshold** does not see the private rented sector as being the most suitable tenure sector for all of those groups which currently use it to satisfy their housing needs. It is our contention that the characteristics of the sector are such (apart altogether from the potential for abuse) as to make it unsuitable

in general for all households, apart from the young mobile groups and those who prefer renting to owning on a permanent or semi-permanent basis. In making such a statement, we would not wish to deny, of course, other households the right to choose whatever form of tenure they feel is best suited to themselves.

**However, we do recommend, that as a general rule, all family households (partial or complete) and older single people, should not have to rely on the private rented sector for their accommodation, but should be enabled to gain easier access to public renting and owner-occupation.**

So we do see, long-term, a future for private rented accommodation but eventually serving a much more specialised market than is presently the case. In general, it should eventually exist to provide accommodation for young mobile households who need the advantages of mobility, centrality and the range of choice which this sector is capable of offering.

#### *7. What will be the future demand for private rented accommodation?*

It is not our intention to attempt here a detailed analysis of future demand patterns for private rented accommodation. Given the enormous range of variables which would require examination, such a task is beyond the scope of this report. So we shall limit ourselves to brief adumbrations of the major factors which we assume will influence demand in the coming years.

Even allowing for the effects of the recommendation cited in the previous section, it is our view that for the foreseeable future the current booming demand for private rented accommodation in our large cities will continue unabated. As far as demographic factors go, our existing population structure will ensure a continuous growth in demand in years to come for the type of dwelling provided in the private rented sector.<sup>20</sup> The trends in internal migration, which in the past have centered on the primacy of the east region, and Dublin City and County in particular, as a destination for migrants, seem to have persisted in the inter-censal period, 1971-1979.<sup>21</sup>

As proposed policies of decentralisation do not seem to be getting the go-ahead, we can see no great changes in the pattern of internal migration for some years yet. As Hughes and Walsh point out, the greatest share of migrants are in the 15-29 age group, unmarried and economically active<sup>22</sup> — the type of people who create major demand for private rented accommodation in Dublin, in particular, but also in our other large towns and cities.

Other factors which we see as influencing future demand for private renting include "nuclearization" — the decline in the inclusion in families of adults who are not currently married<sup>23</sup> — falling mortality rates in older age groups and likely increases in the rates of marital breakdown and incomplete families. Even the continued growth of the Greater Dublin area itself will eventually lead to more and more people born in this area seeking more

central rented accommodation as distances from work or studies become even greater. The major constraints on all of these factors are, of course, present and future individual economic circumstances and housing costs themselves. If economic or educational opportunities for young people, in particular, become more and more improbable, then obviously there will be cut-backs on the growth in demand for separate living space. However, we do not see the effects arising from such constraints as being sufficient to offset the overall effects of the other factors outlined above.

#### *8. What will be the future supply position of private rented accommodation?*

Future supplies of private rented dwellings will not simply reflect changes in underlying demand patterns, but will also be influenced by the nature and effect of official intervention in the operation of the market, the availability of suitable dwellings for further conversion, and the ability of the building sector to respond with new construction, among other factors. It is **Threshold's** recommendation, in view of the assumed growth in future demand for accommodation, that any Government intervention should not alone aim to maintain and improve the existing stock of private lettings but, in addition, to ensure continued growth in the supply.

Most of the existing private rented stock is in mature, and often elderly premises. This stock is subject to attrition, both from physical decay and from competition from alternative uses, thus giving it a high opportunity cost. Even where alternative new accommodation is provided when old private rented dwellings go out of use, the cost of such new accommodation and its characteristics are highly unlikely to match that which it is replacing. Such losses would not be all that important if it were easy to add to the stock by further conversions of existing premises. Although no figures are available, the stock of premises available for inexpensive conversion to cheap flats and bedsitters must be nearing exhaustion in the favoured central and inner suburban areas. This would appear to be borne out by the booming demand for newer houses for rent in the newer estates in the outer suburbs.

Given that demand for private rented accommodation in accessible locations is likely to continue to increase in the future and that this increased demand needs to be added to the need to replace dwellings lost from the sector, it appears that supply problems could arise in the near future. New building, because of its expense, is not the solution under the current uncontrolled, unsubsidised arrangements for operating the private rented sector. For this reason also basic reform of the sector has now become unavoidable.

#### **A Constitutional Obstacle to Reform?**

This report has identified a range of problems which thwart many private rented tenants in their efforts to build a secure home life for themselves. **Threshold** firmly believes that the evidence adduced in this study allows for no other course of action than the widespread reforming of the sector, in the context of a housing policy in which all tenure sectors would be seen as having equally

significant roles to play in meeting the population's housing needs and requirements. There is one institution, however, which could be seen as being a major obstacle to legislating for change in the private rented sector and this is the Constitutional obstacle, to which we have already referred. Let us now examine in some more detail this obstacle, particularly in relation to the interpretation by the Courts of the guarantee of the rights of private property which is contained in our Constitution. The judgment handed down by the Supreme Court on the Housing (Private Rented Dwellings) Bill, 1981, is the most significant in this respect.

As already stated, this judgment declared that the provision of the Bill allowing for rent rebates to tenants was unconstitutional in that it infringed upon the property rights of private landlords. The implications of this decision and of other areas of the Bill about which no decision was given are, in **Threshold's** view, more wide ranging than would appear to be the case from a simple reading of the judgment. In the first instance, the issue arises as to whether or not it will be possible to restrict rents in any way in the future below their free market level in any part of the private rented sector. It is not **Threshold's** view that the judgment of 19th February, 1982, when taken in conjunction with the judgments delivered on the Rent Restrictions Act (1960), implies that restricting rents below their free market level is an infringement of landlords' rights regardless of the circumstances, an interpretation which some landlords seemed to be adopting in the aftermath of the 19th February decision. Our view, and a view which is supported by legal sources we have consulted, is that legislation designed to restrict rents in general would not be in contravention of existing Constitutional provisions regarding landlords' property rights. However, given the existing Constitutional prohibition on discrimination of prices, legislation designed to restrict a certain class of rents — those of uncontrolled rented lettings, for example — could be in contravention of those provisions of the Constitution. It is our view that legislation could control, even in a general way, all rents and it is even possible that the legislation could control certain classes of rents by providing for revisions by the Courts at periodic intervals, as in Landlord and Tenant Legislation, rather than allow free market forces to determine the rental levels.

The judgment of 19th February is no less significant in the area where no decision was handed down, namely in relation to the section of the 1981 Bill which restricted landlords' rights to recover possession of their properties. This issue was referred to during the course of the judgment, but no decision on its constitutionality was given. Again, in view of the judgment given on this restriction in relation to the 1960 Rent Restrictions Act, the possibility remains for a landlord to take a constitutional action in the future if the necessity for such arose following the introduction of legislation containing such a provision.

**Threshold** feels it is necessary to point to a further significant issue which this judgment also gives rise to. The judgment does not distinguish between various categories of landlord so the implication is that all controlled private landlords are equally affected. **Threshold** would draw a sharp distinction, however, between those original rent-controlled landlords who have undoubtedly

suffered from the operation of rent control (including those who succeeded them through inheritance) and those landlords who acquired rent-controlled properties through purchase in more recent years. This latter group of landlords stand to make windfall gains as a result of the Court's decision. The proposition that those landlords who availed of (or benefited by) the situation created by rent restrictions to buy properties cheaply should now be permitted to increase the tenants' rents, on the grounds that their property rights are infringed by these same restrictions, contrasts sharply with the denial of any positive recognition to tenants whose families have occupied the same homes for generations and have paid enough rent to own them or at least secure them from speculation. The fact is that people who purchased controlled dwellings with sitting tenants did so at a price which reflected that situation and so if such landlords were now to be given the freedom to charge market rents they would be compensated for their speculative activity and not for any infringement of their rights as property owners. Even allowing that our interpretation of the situation relating to regulation of rents is found to be correct, and that there is no Constitutional obstacle to a general regulation of rents, a further possible Constitutional difficulty remains to be cleared up regarding the possibility of restricting landlords' rights to recover possession of their properties. As we shall argue further on, there is little point in introducing legislation to control rents if some measure of security is not also given to tenants — a measure which obviously implies some restriction on the landlords' ability to regain possession of his premises.

### Private Renting: The Way Forward

Private rented tenants in Ireland suffer inter-related economic, social, political and legal disadvantages when compared with owner-occupiers or public tenants. In this section we shall attempt to outline a series of recommendations which **Threshold** considers are the very basic requirements needed to bring about the situation where these disadvantages would be removed.

#### 1 Overall Responsibility for the Private Rented Sector and the Homeless.

The existing division of responsibility for the private rented sector and the homeless between the Departments of the Environment, Health and Justice should be changed so that responsibility rests solely with the Department of the Environment.

#### 2 Registration of all Private Rented Dwellings

As a basic prerequisite to exercising proper control over the private rented sector and being in a position to plan its future development and so employ it to the best advantage in the context of national housing policy, a complete register of all privately rented dwellings should be maintained by local authorities and all landlords should be legally required to complete the register and revise it with each new tenancy agreement.

### 3 Access to Dwellings

As we have seen, the present system of letting seems to discriminate against certain groups, notably young married couples, single parents and the unemployed. Given the situation, however, where a landlord lets his property as a housing investment, it would be unreasonable to expect that he would have no control over who rents it from him, especially if he lives on the property himself. The plight of many young couples, however, in going from door to door, from one week to the next, seeking the elusive bedsitter, is an example of the demoralisation which all too frequently arises under the existing system of letting.

We recommend, therefore, that:

(i) All private lettings advertised should state clearly the tenant preferred by the landlord. If a prospective tenant finds that a flat is refused him on grounds not referred to in the advertisement, then he would have grounds for appeal to the Board as described later on. Over a period, given that this practice is enforced, it should be easier to monitor the various areas of need and the difficulties experienced by particular groups in gaining access to the sector. If it emerges, and from our own evidence it would seem most likely, that particular groups find great difficulty in securing accommodation, then intervention would be justified, either by offering incentives to landlords who will cater for these groups or by bettering the standing of these groups with regard to obtaining accommodation in another housing sector, and in the longer-term we have recommended that the latter approach be adopted.

(ii) Apart from the landlord's right to choose, primarily in the areas of sex and marital status, there should be no grounds for discrimination on the basis of race, creed or social class. Such practice should constitute just reason for an appeal on the part of the prospective tenant and penalties should be applicable where such discriminatory activity is proven to have occurred.

At present, the only effective means for most renters of finding a flat in Dublin is through the accommodation columns of the newspapers. (Estate agents tend to have accommodation on their books which is usually concentrated at the upper end of the market and we can only describe as "highly suspect" the activities of most Flat-Letting Agencies which have operated in the City).

(iii) We recommend, therefore, that effectively controlled and managed Flat-Letting Agencies should be set up in every city. These could be financed partly by landlords, using the money currently spent on newspaper advertisements, but should also receive government assistance in recognition of the greater efficiency they would bring to the operation of the market. These Agencies should also take on a role in relation to maintenance, if thought desirable by landlords. Tenants should then be in a position to identify a single

body to which they could bring complaints regarding repairs, especially in cases where the landlord is non-resident. The existence of such a body would not, of course, preclude the rights of tenants to bring complaints directly to the local authorities, nor interfere with the legal obligations on local authorities to intervene directly themselves where legal standards are being breached by landlords. (This system has worked well in the case of some Northern Ireland Agencies).

(iv) The main role of the Agencies should be to match demand to supply in an equitable way and on a non-profit basis. They should operate on a waiting list basis rather than using a process of selection. They should also have a monitoring function and be open to constant scrutiny of their effectiveness.

These recommendations should be seen as being designed to bring about greater overall efficiency in the allocation of private rented dwellings, but should not be seen as an attempt to deprive landlords of their rights to choose tenants. Landlords would still, of course, maintain their right to select tenants, but flat seekers would be saved the time and expense involved in finding a dwelling under the existing unstructured arrangements.

### 4 Lease/Agreement

At present, the granting of a written agreement, the size of the deposit to be charged and the provision of receipts for rent paid, all lie at the discretion of the landlord. This situation has had a direct bearing on many of the problems we discussed earlier on.

We recommend, therefore, that:

(i) Written leases between landlords and tenants should be compulsory in all lettings. These could be standardised, incorporating all the other conditions we recommend, but also allowing for specific conditions required either by the landlord or the tenant, provided that these are not contrary to existing legislation.

(ii) Because they are standard, these should be produced (free of charge) by the Government Stationery Office, allowing space for extra conditions, date of expiration and other details, such as the description of the premises, names, etc.

(iii) Deposits paid by tenants on entering into agreements should be controlled. We recommend that the maximum deposit to be paid should be the equivalent of two weeks' rent. An inventory of all items of fittings and furniture on the premises, along with a brief description of their condition, should be supplied to the tenant on payment of the deposit. Where a tenant feels that a deposit has been withheld unjustly (i.e. for any reason other than damage to the premises above "normal wear and tear"), he should have the right of appeal of the Board. The landlord should have similar right

of appeal where he feels that the deposit paid is not sufficient to compensate for damage done.\* (It may be difficult, however, to enforce this latter provision, given the transitory nature of part of the tenant population).

(iv) The provision of rent books to be signed on each rent payment by both landlord and tenant should also be a compulsory requirement, unless a mutually acceptable alternative is available, such as a Bank Standing Order, which might be more appropriate at the upper end of the market.

Apart from the rent level, which we shall refer to later on, the other single most important aspect of renting both for landlord and tenant concerns the security of tenure to be given to the tenant. This is also an area of potential conflict between the two parties, since the landlord's best interests obviously lie in being able to recover possession of his premises at the most opportune moment for him, while the tenant's ideal situation would be one where his security of tenure would be guaranteed for as long as he wishes, providing he fulfils all the conditions of the tenancy agreement. In view of the great variety of tenants in the sector, this ideal period could vary from a very short period to possibly even life time.

Again, one is faced with an acute dilemma in trying to reconcile these polarised objectives. If the tenant is granted absolute security of tenure, then the disincentive effects of this could have catastrophic effects on future supplies of dwellings for rent. At the other extreme, the existing situation where the tenant of uncontrolled premises has virtually no security cannot be allowed to continue either.

(v) In attempting to find an answer to the problem posed by this clash of interests, Threshold recommends that consideration should be given to legislative provisions which would distinguish between short-term and long-term lettings.

\*In Threshold's experience a great many problems arise between landlords and tenants because of differing interpretations of the purpose of the deposit and of what constitutes more than "normal wear and tear" on the landlord's premises. As such, some consideration might be given to the system which operates in some Canadian municipalities whereby the following forms of deposit are recognised:

- (a) Deposit to cover damage to the premises.
- (b) Deposit to cover tenant performance and damage to the premises.
- (c) Advance rental payment.

The first of these deposits is similar to the deposit requested by most landlords in Ireland, but where damage is caused the tenant has the right to carry out the repairs himself and recover his full deposit. In addition, an independent assessment can be called for in cases where disputes arise regarding the interpretation of excessive "wear and tear".

Under the second system, the deposit paid covers not only damage but also the tenant's own performance while renting the premises. The performance would relate to the conditions of the tenancy set on the signing of the agreement.

Under the third form, a payment of rent is demanded in advance, but the tenant has the right to the interest earned on this money for as long as he remains in the premises.

A system of short-term lettings might be examined with a view to bringing into occupation, within the ambit of the private rented sector, property which is presently standing vacant. It is clear that there is some residential property belonging to private owners who for one reason or another know that they are going to need possession of it at some date in the near future. To keep it empty involves them in expense, risk and loss of income. It makes sense to create a situation in which such property can be let for short periods with the certainty that when the lease expires the owner will be entitled to gain immediate possession.

The need for short-term lettings is a real one. Some need short-term housing because they are mainly employed abroad but have to live here temporarily. Some require it while they familiarise themselves with a new area and decide where they wish to locate permanently. Some are highly mobile and move frequently from job to job.

Under a system of long-term lettings, landlords would undertake to keep their properties in the private rented sector on a long-term basis and longer leases would be granted to tenants. Landlords should be given certain incentives to induce them to make this long-term commitment and in this respect the subsection of Section 23 of the 1981 Finance Act by which premises qualifying for tax relief under the Act must be let for a period of 10 years is a useful one. Such a long-term commitment on the part of landlords would be essential for the proper long-term planning of the entire housing system.

(vi) Under this system of long-term letting we do not recommend, save in certain circumstances, that longer-term fixed leases should become the norm.\* Rather, it is recommended that minimum period leases should be granted along with the right of sale of the unexpired portion of the lease.

## 5 Eviction Procedures

Throughout this report we have emphasised the point that an important distinction should be made between a tenant being granted rights on the one hand, and his being in a secure enough position to exercise them on the other. Even in the limited areas where the tenant has rights at present (for example, in ensuring that basic repairs are undertaken, or in protecting himself against trespass), many people are reluctant to exercise them because of the ease with which they can be subsequently evicted. Without changes in the procedures governing eviction, many of the other recommendations we have made would be ineffective in tackling the problems of insecurity.

We recommend, therefore, that:

(i) Under no circumstances should a tenant be served with a notice to quit because he has pursued his legal rights in relation to the

\*See Section following which looks at the future of controlled rented property.

tenancy. Where this does happen, the tenant should be empowered to appeal the notice and the onus should then be put on the landlord to prove that there was another legitimate reason behind his desire for possession. Threshold would see the following as being legitimate grounds for issuing a notice to quit:

- a) rent lawfully due by the tenant has not been paid or any other lawful obligation under the tenancy has not been fulfilled by him.
- b) the tenant, or any person residing with the tenant, has been guilty of conduct which can be proved to be a source of nuisance or annoyance to the landlord or to other tenants in the dwelling.
- c) the tenant has used, or has allowed the dwelling to be used, for immoral or illegal purposes.
- d) the tenant has allowed the dwelling to deteriorate through neglect or through deliberate acts of waste.
- e) in certain specified instances where the dwelling is "bona fide" required by the landlord.

(ii) The issuing of such notices should be handled through the Board, as described later on, with the right of appeal to the Court in all cases.

(iii) The period of notice should be standardised in relation to pending evictions. Regardless of whether it is a weekly or monthly tenancy, more time is needed than is presently afforded the tenant to seek alternative accommodation and to complete the move. A survey carried out in Australia, for example, has shown that a minimum of two months is required in order to complete this move without hardship.\*<sup>24</sup> We recommend that a statutory minimum of three months written notice be required in eviction procedures here. After this period, the normal process of obtaining a Court Order, if this is necessary in order to gain possession, should still apply.

(iv) In any eviction case, the tenant should be entitled to enter a defence in instances of special hardship. At present, tenants can enter such a defence (usually in cases of pregnancy or where the tenant may be due to be re-employed, or waiting for local authority accommodation), but in almost all these instances the stay has been granted at the discretion of the landlord and has been for no more than two or three weeks. Both the decision and the length of stay should be at the discretion of the Court.

(v) More severe penalties are required in cases of illegal eviction. Despite Threshold's record of success in gaining injunctions and compensation through existing legal channels, our evidence suggests that these illegal practices are not on the decline. In cases where such abuse is proven, penalties should be more in line with the gravity of the offence, as they are in other countries.<sup>25</sup>

## 6 Maintenance and Improvement of Standards

Given that much of the existing private rented stock has come from the conversion of old dwellings, there will be a constant need to bring such dwellings up to the standards prevailing in other housing sectors. Rather than let such dwellings decay and be lost to the stock, we recommend that:

(i) Schemes of rehabilitation designed to assist individuals to bring sub-standard housing up to an acceptable standard and to prolong its useful life should become an important part of housing policy. In certain areas where there are concentrations of sub-standard dwellings, some form of "overall approach" would be required which would aim to arrange for the improvement of housing to be accompanied by improvement of the surroundings. Greater consideration should be given to such a policy in preference to the existing high cost policy of redevelopment, particularly in the Inner City area.

(ii) Threshold supports the recommendation of the recent NESC report that grants for rehabilitation should be introduced which would be indexed to labour and materials costs and also relate to the extent of need and the income of landlords.<sup>26</sup> Studies carried out in various parts of Dublin point both to the economic viability and social desirability of rehabilitation of obsolete and run-down dwellings.<sup>27</sup>

(iii) All future conversions of existing dwellings for use as private rented accommodation should be subject to the receipt of planning permission. Although this has been a legal requirement since 1963, many illegal conversions have taken place; such practice, where detected, should be subject to heavy penalties. Enforcement could be carried out through the new compulsory system of registration recommended above.

(iv) In association with an improved system of grants as outlined above, all local authorities should be placed under a statutory obligation to adopt and enforce a set of bye-laws which would in the short-term ensure minimum standards in private rented accommodation and in the longer-term promote a movement of such standards closer to average housing standards. These bye-laws can be standardised and protect standards as regards the provision of basic amenities, the carrying out of essential maintenance and in areas relating to public health, hygiene and fire regulations.

(v) Penalties for failing to comply with the bye-laws should be automatic and should be levied by the Circuit Court on the landlord.

(vi) All private rented accommodation should be subject to a regular (we suggest annual) visit by the local Health Inspector to ensure that conditions are maintained in accordance with the bye-laws.

(vii) In order to ensure that this can take place, all privately rented accommodation must be registered with the local authority and failure to do so should be more heavily penalised than at present.

\*The legal, political, economic and social disadvantages which private tenants suffer in Ireland are also to be found in the private rented sector in Australia.

(viii) Tenants should have the right to apply for compensation for repairs carried out with the landlord's permission during the period of the tenancy.

(ix) Where improvements have been carried out by landlords to an acceptable standard, such landlords should be eligible for depreciation allowances as happens with buildings in the commercial sector.

### 7 *Should Rents be Regulated?*

It is in relation to the housing costs which should be borne by private tenants and the returns which should accrue to landlords in terms of rental income that the most acute dilemma of all confronts those who are seeking the reform of the private rented sector. On the one hand, the potential reformer is faced with the certainty that sufficiently high returns must be guaranteed to landlords, in general, in order to encourage them to invest in, or retain their investment in property for private rental purposes, while on the other hand, is a tenant population which generally finds increasing difficulty in paying unaided the rents which are demanded for decent dwellings. **Threshold** readily admits that there is no instant solution to this conundrum.

Under the system of market rents in the uncontrolled sector, the supply of dwellings has increased at a rapid rate, but this fact has not done anything to solve the major problems of insecurity which beset this sector. In fact, **Threshold's** experience shows that the situation has been disimproving with each succeeding year. The question naturally arises: why, if landlords have the power to raise rents at frequent intervals, along with the other market powers ascribed to them in previous chapters, has the supply not increased at an even faster rate in order to meet the ever-growing demand?

Fundamentally, the answer to this question lies in the economic weakness of the private rented sector. On the demand side, as already discussed, this sector houses people with relatively low average incomes. The sector is mainly confined to students, to young people starting out in their careers and to older households who are waiting to, or who have failed to find accommodation in the owner-occupied or public sectors. Those households who can afford to, gravitate towards the owner-occupied sector, while those who qualify under the administrative definitions of need adopted, are absorbed into local authority housing. Those who remain, either find themselves in the private rented sector, or without a permanent dwelling. So, even though the demand for private rented accommodation is increasing all the time, this demand is coming from weaker economic groups and leading to the responses from the supply side already discussed in Chapter 6.

On the supply side, the opportunity for further investment by existing landlords is strictly limited. Much of the existing stock is owned by landlords with limited resources and many of them rent out dwellings as supplements to their main sources of income. Even those small scale landlords who might wish to expand their investment may experience extreme difficulty and high cost in raising the required capital. New landlords, who do not possess sufficient funds of their own, will face similar difficulties and high costs in securing the necessary

finance to purchase an old dwelling for investment purposes. In addition, the number of extra dwellings becoming available in the favoured locations of the city is declining, so that the opportunities even for those investors with available funds are growing less. Finally, new building for private rental purposes has not taken place to any great extent because of the weak economic status of private renters and the higher and more secure returns available from building for commercial purposes.

Added to these difficulties is the lack of confidence pertaining to investment in the private rented sector. The existence of rent control, coupled with fears regarding the introduction of other inflexible controls have deterred investment in the past. Furthermore, the downgrading of private rented accommodation by successive governments combined with the emphasis placed on encouraging owner-occupation and public renting have done nothing to help improve the level of confidence among those who might have contemplated investing in property for private rental purposes.

The negative attitudes towards private landlordism which exist in this country should not be overlooked either in the context of the present discussion. In general, there would appear to be a certain amount of antipathy towards those who earn their income from renting accommodation which does not appear to exist in other countries. This "negative image" concerning the role of the private landlord has also, undoubtedly, deterred a certain amount of investment and points up the need to improve the overall image of private letting.

Despite these various supply constraints, the demand for private rented accommodation continues to grow, leading to ever-rising rents, apparently decreasing vacancy rates and the renting of houses in the outer suburbs (away from the traditionally favoured locations) by young families at rent levels which pre-empt a very large proportion of their incomes. It is **Threshold's** view that these indicators point to an underlying market situation which will not get better in the continued absence of official intervention.

In the long-term, as already argued, the problems of the private rented sector will only be solved by a fundamental re-orientation of housing policy in which the right to housing would be recognised and all tenure sectors would be seen as having special roles to play in meeting housing needs and requirements. This would involve a greater use of public resources in private renting, a restoration of confidence in its investment potential and in its attractiveness and merits as a housing sector, leading to demand from a wider range of economic groupings, investment in new building, the creation of more genuine competition among landlords, with spin-off benefits which eventually percolate down to all tenants in the form of "reasonable" rents, freedom from harassment and eviction and living conditions which are on a par with what could be found in other sectors at the same price. (Such an ideal situation would still need to be supported by public subsidies and control over standards, eviction procedures etc., because regardless of the level of competition between landlords, the potential for conflict between landlords and tenants will always remain).

Such a situation, if it is fully realizable at all, is a long-term proposition; in the meanwhile, grave problems need to be solved and steps need to be taken

quickly, in order to improve the living situations for a great many private rented tenants. These immediate policy decisions could involve:

- 1 Continuation of existing system of market rents, but providing public subsidies to tenants and/or landlords; or
- 2 Regulation of rent levels.

**Threshold** would not be in favour of a continuation of the existing system of market rents in the uncontrolled private rented sector, given the above analysis of the current market situation. In addition, it should be remembered that the various problems of the private rented sector which our recommendations are designed to alleviate are inter-related and any attempt to impose controls in one sphere without taking account of the consequences in the others, is likely in the long run, to prove self-defeating. There is little use in providing security of tenure if rents can be raised to any level at short notice, or in restricting rents if the landlord is free to abandon all responsibility for repairs and maintenance of his property.

Furthermore, our experience shows that in a great number of cases market rents are very poorly related to quality. Given the wide variations which exist in the private rented sector, and the way in which rents are determined, it is not surprising that this should be so.

Simply conferring subsidies on tenants who are paying market rents will not solve these problems, but will in fact, give rise to other problems. Subsidising tenants would lead to a sharp increase in demand and, given the inflexibility of supply, the main effects of the subsidy would be on price. **Threshold** would also disagree with a policy of simply subsidising market rents given what has already been written concerning the poor relationship of such rents with the quality of the accommodation; it would appear to us that such a course of action would constitute a highly inefficient use of public resources.

Accordingly, at this point in time, **Threshold** sees no other option but to recommend that

some form of rent regulation should be applied in the uncontrolled private rented sector. Such regulation should not be seen as a long-term policy, but as a temporary measure designed to alleviate the undesirable features of the existing market situation, and when combined with other measures, would lead to an overall improvement in the private rented market, thus allowing rents to be freely determined in the future, but in the context of continuing controls over other aspects of the sector.

In discussing rent regulation, we should distinguish at the outset between "first and second generation rent controls"<sup>29</sup>. The initial application of rent control was necessitated by wartime emergency housing shortages. These shortages were engendered by decreases in housing construction as resources were shifted to defense production; they were further exacerbated by large and rapid shifts of population to areas of wartime defense production. As a consequence, the excess demand on the supply of housing units resulted in

frequent exploitation through exorbitant and speculative rent increases. Control over rents was accompanied by control over other goods and services during the War, so that problems of both primary and secondary parity were not a source of great difficulty for landlords. Following the War, however, as other controls were lifted, rent control was continued with the consequences already discussed in Chapter 2.

Current rent controls are called "second generation", because they have arisen during peacetime conditions. They are not related to wartime emergency conditions, but rather are related to specific market conditions. Such rent controls in some countries are geared towards the provision of direct parity. (As applied to rents, this means that as the costs of maintaining rented property to the landlord increase, the rents are adjusted to keep pace). The aim of achieving secondary parity (this refers to the purchasing power of the income received by the landlord in relation to the price of goods and services he must purchase in addition to those required to maintain the premises — goods and services required for his personal living), given the continued inflation of other commodities, is more problematical and so, if continued investment in the private rented sector is to be encouraged, rent regulation must be accompanied by other devices and programmes aimed specifically at achieving this objective<sup>30</sup>

Given the disastrous consequences which have stemmed from the operation of "first generation rent controls" (apart from the Constitutional difficulties involved), **Threshold** would not advocate the reintroduction of such inflexible measures. We would, however, recommend that a form of rent regulation, based on the flexible "second generation" system of control should be introduced, but accompanied by specific measures aimed at encouraging an expansion in the supply of good quality accommodation.

The following four substantive issues need to be examined in the context of devising a system of rent regulation:

- 1) *Determining the Rent Regulation Universe*
- 2) *Base Rent Determination*
- 3) *Rent Adjustment Mechanism*
- 4) *Administrative Mechanism*

*Determining the Rent Regulation Universe:* In order to encourage continued investment during a period of rent regulation, **Threshold** recommends that —

new construction for rental purposes should be exempted either via a blanket exemption or on the initial rental. We would favour blanket exemption, as it provides a greater incentive.

While such a recommendation might appear to be unconstitutional in view of what we have already written regarding discrimination of prices (page 110), this may be counterbalanced by the fact that the system to be recommended will allow for regular adjustments of rent (see reference to Landlord and Tenant Legislation on page 110) and in any case, we have recommended that, if the Constitutional obstacle is found to be blocking reforms, then strong consideration should be given to ways of removing this obstacle.

**Base Rent Determination:** Initial base rents should be determined by means of a rollback of rents to a date preceding the enactment of rent regulation legislation. The rent on that date becomes the base from which subsequent rent adjustments are made.

**Rent Adjustment Mechanisms:** The method used to regulate rent adjustments is the most important provision of the rent regulation legislation. Various countries have adopted a wide variety of mechanisms in this respect. In Britain, the 1965 Rent Act introduced a system known as the "Fair Rent System"; in the Netherlands, a method called "Dynamic Cost-Price Rent Calculation" has been in operation for some years; in America, various systems are in operation based on "Limited Returns on Investment" and approaches based on "Maximum Base Rent Mechanisms". Other countries have adopted still different systems.

The British Fair Rent system has been subjected to a great deal of both theoretical and practical criticism down through the years. From the point of view of the objectives **Threshold** would wish to see a system of rent regulation achieve the Fair Rent system would not be suitable. This system was designed to maintain the existing stock of dwellings only; it does not provide incentives for new investment<sup>31</sup>. This system is also rather complex and requires a large administrative body to operate. Equally, the system in operation in the Netherlands is complex and, even more significant, it does not appear to be operating very successfully in terms of its stated objectives<sup>32</sup>.

Rent regulation based on giving landlords limited returns on investment also requires a large formalised administrative system and comprehensive administrative standards in order to operate. "Maximum Base Rent Mechanisms" are easier to administer and require a less formal system of implementation. **Threshold** would, accordingly, recommend that

strong consideration be given to introducing a system of rent regulation based on some formula which would allow for an annual rent adjustment above predetermined specified base rents (Maximum Base Rent Mechanism).

The primary objective of the mechanism chosen should be to provide rental increases which are commensurate with increases in operating costs or the rate of inflation. In order to do this, an adequate measure of operating costs must be determined. Such a measure could be based on a fixed percentage, a price index, either specifically of operating costs or the more general CPI.

A fixed percentage formula to restrict annual rent increases is perhaps the easiest method to implement, but it does not take changes in operating costs into account. In order to consider these costs, a price index is needed. We would recommend that a specific price index, which would take into account specific expense items or increases incurred by landlords in operating their lettings, should be devised.

The major operating expenses are (i) insurance; (ii) tax; (iii) fuel and utilities; (iv) management; (v) building maintenance and services. Provisions should also be made in the chosen mechanism for capital improvements, hardship cases and variations in the services or facilities provided for tenants. In addition, the operation of the mechanism should be reviewed on a regular basis in order to determine its effects on the landlord's rental income, in particular.

**Administrative Mechanisms:** In order to administer the above recommendations, special administrative systems would have to be devised. **Threshold** recommends that

special Private Rented Housing Boards should be established for the purposes of administering the recommended rent regulation system and other specified reforms of the private rented sector. **Threshold** proposes that each Board should consist of the County Registrar, assisted by a Valuer and a Social Worker. The functions of Private Rented Housing Boards should be as follows:

- i) To devise for their own areas indices of operating costs in private rented housing, using criteria legislated for at national level.
- ii) To use such indices, in a manner decided at national level, in adjusting all regulated rents on an annual basis.
- iii) To hear and adjudicate on appeals for increases in rent over and above that allowed for by the method, on the basis of clearly specified factors such as capital improvements or hardship factors.
- iv) To adjudicate on rent adjustments in cases of deterioration in services provided to tenants.
- v) To review on a regular basis the effectiveness of the rent regulation mechanism.
- vi) To receive and adjudicate upon applications from tenants for assistance with their rent payments.
- vii) To deal with evictions, and with disputes between landlords and tenants concerning aspects of the letting agreement.
- viii) To refer disputes between landlords and tenants to the Court, where necessary.

The housing costs of private rented tenants should be subsidised. The basic aim of a system of subsidies should be the promotion of equity between tenants and also between private tenants and other tenure groups as regards their housing costs. Considerable thought would need to be devoted to the choice of system and the implementation of the chosen system so as not to upset still further the existing market situation, the affects of which would be most severely felt by poorer tenants.

#### Controlled Private Rented Sector

Special consideration needs to be given to tenants of rent-controlled dwellings in the light of the situation resulting from the judgment of the Supreme Court on the Rent Restrictions Acts. Given the fact that so many of these tenants are poor and elderly and living in exceptionally bad conditions, **Threshold** expects that the Government will honour commitments made to safeguard all rent-controlled tenants and that legislation will be quickly introduced which will remove the grave anxieties which currently affect so many of the very vulnerable tenants in this sector.

The objectives of such legislation should not be to maintain the distinction between rent-controlled and uncontrolled tenants in perpetuity, but rather to phase out the distinction over time so that all tenancies eventually come under the same legislative provisions.

#### Implementation of Reforms

In order to devise detailed proposals for legislation, we see that there is an immediate need for:

- (i) *A Working Party to be set up, under the direction of the Department of the Environment and consisting of representatives of tenants, landlords, voluntary bodies and other Government Departments, who have some direct or indirect involvement in the private rented sector.*
- (ii) *The brief of the Working Party should be to develop detailed and clear guidelines as to the fulfilment of the criteria we have outlined with regard to conditions of letting, the regulation of rents, the maintenance of physical standards, eviction procedures, the introduction of standardised leases. These guidelines should form the basis for new legislation governing the sector to be introduced as a matter of urgency.*
- (iii) *With the introduction of new legislation, a publicity campaign would be necessary in order to inform both landlords and tenants of the basic changes in their rights and obligations. "Guides to the New Legislation" should be available to landlords when they register their premises with the local authority. They should also be able to obtain copies of standardised leases and rent books at this stage.*

- (iv) *To ensure that the legislation is effectively implemented, and also to monitor its effects, an administrative framework needs to be set up which would involve the establishment of two regional networks. One would be a network of Flat-Letting Agencies, to which we referred earlier; the other a network of Private Rented Housing Boards.*

#### Costs

**Threshold** is not in a position to present a detailed analysis of the costs involved in implementing the reforms outlined in this chapter. Many of the reforms recommended would have none, or a very small cost attached.

While **Threshold** accepts that the total costs would not be insignificant they would, nevertheless, be relatively small when compared to the large volume of subsidy which presently goes to owner-occupiers and local authority tenants. We are not the first, and it is doubtful if we will be the last, to point to the large scale inequities which these subsidies cause between tenure sectors and between households, particularly in the owner-occupied sector. We would add our voice to the various NESC reports and ESRI report<sup>33</sup> in calling for a fundamental reform of the financial flows prevailing in the housing system. If this was done, and if money was distributed on the basis of need, and not on the basis of tenure (regardless of household income, as is the case with owner-occupied subsidies at present) then there may be no need to increase significantly the overall level of subsidisation in order to help the private rented sector. In any event, whatever extra costs would be involved could be very well offset by the savings which would undoubtedly accrue in such areas as health expenditure, law enforcement etc., as a result of the improved housing conditions which would ensue.

#### Conclusions

The recommendations we have made are the minimal requirements of a new policy for the private rented sector. The criteria we have put forward are drawn primarily from our identification of the immediate causes of insecurity in the private rented sector. In proportion to the degree of hardship, at present for many an inherent feature of private rented living, the cost of such reforms should be seen as being minimal. The small price is further underlined by the long history of neglect of the private rented sector in comparison with the level of attention granted to the two other main sectors.

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## Summary



**Threshold** is a voluntary organisation offering information advice and practical assistance to those experiencing housing difficulties. The majority of the more than five thousand cases dealt with since the organisation began its work in 1978 originated in the private rented sector. **Threshold** is also committed to a research programme, using the information gathered in its case-work, in order to highlight the major housing problems and to find ways of tackling the causes of homelessness. This present report is based on the data supplied by three thousand individuals and families who contacted **Threshold** for assistance between April 1978 and July 1980 and is primarily concerned with describing and analysing insecurity in the private rented sector. The report seeks to reveal the nature, extent and distribution of this insecurity, to analyse the reasons for its existence and to make recommendations as to how it can be effectively tackled in the context of a housing system which is efficient and just.

The data discloses that insecurity, manifested in such severe problems as discrimination in gaining access to dwellings, arbitrary evictions, unrestricted demands for rent increases, harassment of tenants, failure to carry out essential repairs, poor living conditions and many more, is a widespread feature of our private rented sector.

The eviction of tenants by landlords emerged as the single most common problem from our survey, accounting for almost one-third of the total number of problems reported. 80% of those private rented tenants who approached **Threshold** with this problem had been asked to leave by their landlords, while the remainder had already been evicted, most of them illegally. Of the latter group, many were literally homeless on arrival at **Threshold** and had to be accommodated on an emergency basis for varying lengths of time while alternative accommodation was searched for outside the emergency centres. Associated very closely with eviction was the problem of harassment. A large proportion of those tenants who were threatened with eviction, or who had been actually evicted, also complained to us of harassment and intimidation.

The issue of housing costs also emerged as a huge problem area among those private rented tenants who approached **Threshold** for assistance. Tenants

complained about their high rent levels in relation to the quality of service obtained in return and in relation to their incomes. The fact that rent levels could be raised so frequently without any apparent restraint on landlords was also seen as a source of contention by tenants. All such complaints point to the high proportion of tenants' income going on rent in this sector and the increasing difficulties being experienced by many tenants in coping with the ever-upward trend in rents.

Problems associated with poor living conditions, failures to carry out essential repairs following requests from tenants, lack of essential amenities in some instances and the necessity of sharing them in other instances, also came to light as significant sources of discontent.

These problems of insecurity do not, however, affect all members of our society equally. The sector is selective, for a start, in terms of the types of families and individuals who use it to meet their housing preferences or needs, and amongst the actual tenants of the sector, the report shows that problems tend to be concentrated on the basis of some personal and geographical characteristics. The effects of such problems on incomplete families — for example single parents — should be noted in particular.

The immediate cause of these problems stem from the extreme difficulty of reconciling in a free-market situation the conflicting goals of private landlords and their tenants. This immediate cause is, however, simply a reflection of a far more basic cause, namely, the nature and operation of government housing policies down through the years. The overall effect of such policies has been to relegate the private rented sector to fulfilling a residual housing role by attracting the stronger households to other sectors and leaving the weaker (in general) to compete for the available rented properties unaided by any public subsidies. The existence of a "private rented trap", whereby some households are effectively trapped for long periods, if not life, in the private rented sector can also be attributed to the operation of government policy in relation to the housing system as a whole.

Long-term solutions to the problems of the private rented sector can only be effective if they are devised in the context of a new and comprehensive housing policy which has as its overall objective a housing system which is both efficient and just, and guarantees the rights of families and individuals to proper housing. These long-term objectives must be pursued in a series of well-planned stages in which pressing priorities are identified and dealt with as resources allow. An immediate priority would be to restructure the whole system of housing finance so that subsidies going to housing are clearly based on need and not on tenure. Such need should be identified in all housing tenures and not just in owner-occupation and local authority housing.

**Threshold** also sees as an immediate priority in the context of long-term housing reform, the need to deal effectively with the problems of insecurity in the private rented sector, for a role is perceived for the long-term promotion of private letting to meet certain specialised housing needs and requirements. Such a role should be more specialised than the present role performed by the sector; it should be confined in general to the young mobile households who find the

characteristics of private letting as being well suited to their needs. Families and other households should be granted easier access to the local authority sector and owner-occupation. Where possible (unless they prefer it otherwise), such households should not be in the private rented sector. The possible role of alternative tenure forms in meeting such specialised needs should also be further investigated.

In this report **Threshold** sets out a series of recommendations designed to deal with the current major problems of insecurity in private rented accommodation. It calls for the setting up of a system for regulating rents, for greater control over standards, the elimination of all forms of harassment and illegal evictions and the subsidisation of the housing costs of tenants, among others. Various new administrative structures are also proposed which would bring greater efficiency in the allocation of dwellings and justice in resolving the conflicting interests of landlords and tenants. It is recognised that such reforms necessitate extra public money being put into the sector, but it is asserted that much can be achieved without any increase in the overall level of public resources going to housing, through reforming and redistributing the existing system of public housing finance.

The objectives of such reforms must be to provide a legislative framework which maintains a fair balance between the interests of tenants and landlords so that the existing stock of private rented dwellings is maintained and standards improved; that this stock is added to as required; that the sector can contribute effectively to meeting housing needs and requirements and evolve into social forms of housing in the context of a housing policy which maintains the right to housing as its prime objective.

Having looked in detail at problems and the underlying causes of such problems in the private rented sector, and offered some recommendations for rectifying these problems, **Threshold** now calls on the Government to heed the urgent call made here not to ignore for any longer the difficulties of this housing sector. Successive Irish governments have failed to face up the dilemmas presented by the sector and in this context we shall conclude by quoting from a classic British study, the sentiments of which are no less relevant here in Ireland today than when they were written seventeen years ago in relation to London:

governments have "failed to take effective responsibility for this sector of the housing market, either subjecting it to severe restrictions (without the complementary support and the additional controls needed to offset and mitigate the effects of such restrictions) or abandoning control altogether and leaving this sector to escape, haphazard and piecemeal, into a "freedom" politically insecure and sometimes abused."<sup>1</sup>

#### Notes and References

1. Ministry of Housing and Local Government (1965), op. cit., p. 45.

## APPENDIX A

### Tables for Chapter Three

Table A1. Age of Respondents

Age	All Respondents %	Private Rented %
Under 30 years	67.7	67.7
30 – 60 years	12.6	10.1
Over 60 years	6.0	6.2
Unknown	13.7	16.0
Total	100	100

Table A2. Marital Status of Respondents

Marital Status	All Respondents %	Private Rented %
Single	56.3	64.1
Married less than 5 years	19.8	17.6
Married 5 years or more	10.5	8.1
Separated/Widowed	3.8	3.0
Single Parent	7.7	4.9
Unknown	1.8	2.2
Total	100	100

Table A3. Sex of Respondents

Sex	All Respondents %	Private Rented %
Male	30.7	21.1
Female	69.3	78.9
Total	100	100

**Table A4. Annual Disposable Income Per Household (All Tenure Groups)**

Annual Disposable Income	%
Less than £2,000	13.4
£2,001 to £3,000	5.4
£3,001 to £3,500	4.0
£3,501 to £4,000	2.4
£4,001 to £5,000	2.4
£5,001 to £7,000	2.3
£7,001 to £9,000	1.1
More than £9,000	0.3
Unknown	68.8
<b>Total</b>	<b>100</b>

Note: Income figures for separate tenure groups available in text.

**Table A5. Socio-Economic Grouping of Respondents: (All Tenure Groups)**

Socio-Economic Group	%
Professional/Managerial/Employer	1.2
Salaried Non-Manual	11.5
Skilled/Semi-Skilled Manual	12.8
Unskilled Manual	3.5
Unemployed	7.5
Retired	5.3
Student	1.0
Landlord	3.0
Unknown	54.1
<b>Total</b>	<b>100</b>

**Table A6. Household Size and Tenure**

Tenure	Total Household Size								Total
	1	2-4	5-7	8-10	11-15	Over 15	Un-known	N/A	
	%	%	%	%	%	%	%	%	
Private/ Rented Uncont.	34.6	60.4	3.3	0.5	0.1	0.0	0.9	0.2	2352
Private/ Rented Cont.	37.8	55.4	4.7	0.7	0.0	0.0	1.4	0.0	148
Local Auth.	2.3	28.8	34.2	11.9	19.2	0.9	2.7	0.0	219
Owner/ Occupier	12.9	32.3	35.5	9.7	3.2	0.0	6.5	0.0	31
Unknown & Other*	12.9	69.6	9.2	4.0	1.6	0.0	0.8	0.8	250
<b>Total</b>	<b>30.4</b>	<b>58.3</b>	<b>6.4</b>	<b>1.7</b>	<b>1.7</b>	<b>0.1</b>	<b>1.1</b>	<b>0.2</b>	<b>3000</b>

\*"Other" includes homeless people, squatters and single people living with their parents.

**Table A7. Dwelling Type**

Dwelling Type	All Respondents %	Private Rented %
Fiat	53.9	59.6
Bedsitter	24.9	29.7
House	13.4	10.0
Other	0.6	0.4
Unknown/Not Applic.	7.2	0.3
<b>Total</b>	<b>100</b>	<b>100</b>

**Table A8. Average Weekly Rents Paid by Individuals and Family Units in the Private Rented Sector.**

Average Weekly Rents	%
Less than £1.00	1.8
£1.01 to £5.00	6.7
£5.01 to £10.00	37.0
£10.01 to £15.00	31.3
£15.01 to £20.00	10.0
£20.01 to £30.00	6.0
Over £30.00	1.0
Unknown	6.1
Total	100

**Table A9. Respondents' Assessments of Physical Conditions in the Private Rented Sector.**

Description	%
Excellent	2.4
Good	11.3
Fair	12.8
Poor	6.2
Very Bad	19.9
Unknown	47.4
Total	100

**Table A10. Respondents' Assessments of Relations with Landlord in Private Rented Sector.**

Description	%
Excellent	1.5
Good	10.6
Fair	13.7
Bad	32.4
Unknown	41.8
Total	100

**Table A11. No. of Contacts with Person re One Issue**

No. of Contacts	%
One	56.3
Two	24.3
Three	4.4
More than Three	13.3
Unknown	1.6
Total	100

**Table A12. Response of Threshold to Individual Problems**

	%
Advice or Information only	63.1
Administrative or Landlord Contact	26.9
Legal Reference	5.6
Other	0.1
Unknown	4.3
Total	100

## APPENDIX B

### Landlords

One problem in obtaining information on landlords has to do with their general lack of accountability. In Dublin, landlords who let two or more flats in the same building are obliged to register with the Corporation. In the cases which we were able to investigate (with the tenants' permission) we found that only 28 of the 197 who were under this obligation, had in fact registered. These cases were reported. It is unlikely, however, that even this practice of reporting premises has much effect in general terms for a number of reasons. Firstly, the number we can report must represent only a small fraction of all landlords who should be registered, even under existing conditions. Secondly, those who are reported face only a minimum fine, which is not likely to act as a real disincentive. Thirdly, landlords who rent 2 or more flats in one house represent only a proportion of the total number of landlords. Finally, it is only with the consent of the tenant that we are able to refer these cases to the Corporation, a consent usually given with reluctance, in view of the possible consequences for the tenant if discovered.

The lack of accountability enjoyed by landlords has detrimental effects which go beyond the difficulties in maintaining minimum physical standards. We have experienced widespread reluctance on the part of landlords to give receipts for rent paid, to take cheques or, in many cases, to let the tenant know their addresses, or even their names, amongst those who employ agents to work for them. (Perhaps, even more disturbing, is the practice of some landlords of not passing on Census Forms to their tenants. This malpractice has detrimental implications for the future planning of the sector).

The information on landlords we did obtain, therefore, was very general in nature and restricted to that supplied by tenants who knew enough about their landlords and were willing to disclose it and also to that supplied by the 90 landlords who themselves sought our assistance. From the information offered by tenants it was discovered that the vast majority of landlords were employers or in professional or managerial employment.

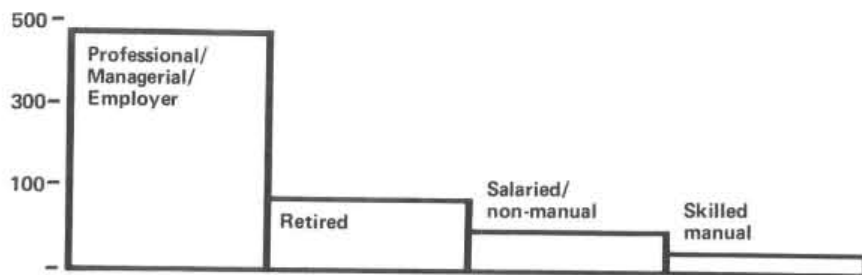
On average, less of the professional-status landlords tended to be resident. (9.5% of them lived on the premises compared with 12% for the whole survey). Those landlords who were retired were much more likely to be resident on the premises. (More than 42% of them were resident). Landlords in non-manual occupations were mainly in the flat-business full-time, with 26% renting bedsitters and 13% renting houses. Of the remainder (the small number who were in manual occupations and those who were retired), bedsitters were a more common form of letting. 36% of this group were letting single bedsitters and only 5 of the total were letting houses.

Of the 90 landlords who approached **Threshold** directly for help, 52 did so in connection with eviction procedures. In most of these cases, the landlord, or other tenants in the house, were the victims of some form of harassment from a particular tenant — usually in the form of threats. These landlords were also

usually unaware of their rights with regard to eviction procedures and **Threshold** invariably informed them of the process involved in obtaining a Court Order.

22 landlords, most of them new to the letting business, asked for advice on the actual procedures involved in letting a dwelling, their obligations and rights, and the best way of making agreements with tenants. These were advised of the desirability of providing a written lease which would offer as much security as the present system allows for as well as setting out clearly the rights and obligations of both parties.

Figure B1 Occupational Status of Landlords



Source: Threshold Survey Data.

## APPENDIX C

### Outline of the Tax Incentives for the Provision of Moderate-Cost Rental Residential Accommodation Contained in Section 23 of the Finance Act, 1981

Section 23 of the Finance Act, 1981 provides for a special 100 percent allowance of construction expenditure incurred on or after 29th January, 1981 and on or before 31st March, 1984 in the provision of moderate-cost rental residential accommodation. The new allowance is given as a deduction in computing rental income from property in the State.

The Government introduced this legislation in order to boost employment in the Construction Industry, to increase the supply of moderate-cost rental residential accommodation and to encourage greater participation by the private sector in capital development, thus relieving the State of part of this burden and freeing Government funds for other items of expenditure.

In order to qualify for the allowance, apartments or houses must satisfy the following main conditions:

1. In the case of an apartment the total floor area must be under seventy-five square metres and over thirty square metres. This applies to a separate self-contained apartment or maisonette in a building of two or more storeys.
2. It must have a Certificate of Reasonable Value.
3. The dwelling, without having been used for any other purpose, must be first let in its entirety under a Qualifying Lease and thereafter throughout a period of ten years from the first letting.
4. The premises must be used solely as a dwelling.

The tax relief is available to any person who "proves that he has incurred, during the qualifying period, expenditure on the construction of a qualifying premises". That person is entitled to treat the expenditure as a deduction in calculating taxable income from rents. The expenditure could be incurred, for instance, by:

1. A builder who builds a block of apartments and lets them out himself under qualifying leases.
2. A person who buys an apartment from a builder and lets it out.